

SPECIAL REPORT

OF THE

PUBLIC SERVICE COMMISSION

RELATIVE TO THE

STREET RAILWAY SITUATION OF
THE COMMONWEALTH

FEBRUARY, 1919

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The Commonwealth of Massachusetts.

PUBLIC SERVICE COMMISSION, February 15, 1919.

REPORT ON AN ORDER OF THE GENERAL COURT PROVIDING FOR A SURVEY OF THE STREET RAILWAY SITUATION OF THE COMMONWEALTH BY THE PUBLIC SERVICE COMMISSION ACTING JOINTLY, ON SO MUCH OF SAID ORDER AS IS APPLICABLE TO THE BAY STATE SYSTEM, WITH THE TRUSTEES APPOINTED UNDER CHAPTER 188 OF THE SPECIAL ACTS OF 1918.

To the Honorable the Senate and House of Representatives of the Commonwealth of Massachusetts.

On January 22, 1919, the House of Representatives adopted the following order: —

That the Public Service Commission survey the street railway situation of the Commonwealth, and report on or before February 15, 1919, the amount of the deficiency in the revenue of the said street railways, the amount of taxes and other public charges paid by them, and what, if any, part of the deficiency should be met by remission of taxes and other public charges and by appropriations of money, coupled with public control, by the localities and the Commonwealth in order to keep necessary transportation facilities in operation; also that the Commission formulate one or more definite propositions embodying the recommendations in its annual report relative to street railways, and submit estimates of the cost thereof. The Commission is also requested to report such other recommendations as to it seem proper in the premises.

This order was adopted in concurrence by the Senate on January 23, 1919, with the following amendment: —

In the consideration of the foregoing questions as applicable to the Bay State Street Railway Company or a successor company and in any recommendation in relation thereto the Commission shall act jointly with the Trustees appointed under the provisions of chapter 188 of the Acts of the year 1918.

This amendment was adopted in concurrence by the House of Representatives on January 24, 1919, and the order as amended was transmitted to the Commission on January 27, 1919.

I.

REPORT OF THE COMMISSION AND TRUSTEES ON SO MUCH OF SAID ORDER AS RELATES TO THE BAY STATE SYSTEM.

In accordance with the order the Commission and the Trustees after conference and careful consideration jointly submit the following report on so much of said order as is applicable to the Bay State System.

We submit first a statement of the results of operation of the Bay State Street Railway Company for the year ended December 31, 1918, and an estimate for the year beginning July 1, 1919, and ending June 30, 1920.

The statement and estimate were prepared under the direction of the receiver of the Bay State Street Railway Company, and were taken from a report filed by the receiver with the United States District Court, under date of February 15, 1919. The statement for the calendar year 1918 is based, so far as possible, on actual results, with such adjustments as were necessary to make it coincide with the terms of the Bay State legislation passed last year, so that a comparison with the estimate for the year beginning July 1, 1919, may be readily made.

BAY STATE STREET RAILWAY COMPANY.

WALLACE B. DONHAM, *Receiver.*

Results of Operation, Year ended December 31, 1918.

Cost of service (including real estate and Federal taxes):—	
1918 expenses, preliminary figures,	\$9,479,100
Depreciation on basis formulated by Public Service Commission and on 1918 investment,	1,104,000
Interest on investment (approximate),	2,470,000
Real estate and Federal taxes,	158,200
	<hr/>
Total,	\$13,211,300
Revenue,	10,533,000
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Deficit on basis of service-at-cost,	\$2,678,300
Excise and franchise taxes would add	240,200
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Total deficit,	\$2,918,500

These figures are for the property which it is expected the receiver will turn over to the Trustees, adjusted to compare with the accompanying statement for the year beginning July 1, 1919.

Estimate of Results of Operation, Year ending June 30, 1920.

(Approximately the first year of Trustee operation.)

Cost of service (including real estate and Federal taxes): —

Operating expenses, based on those for 1918 adjusted to present wages, to coal at \$7 per ton, and the use of 100 one-man cars: —

1918 expenses, preliminary figures, \$9,479,100

Wage adjustment to rates established under National War Labor Board's decision of December 3, 1918, 1,050,000

\$10,529,100

Coal saving, \$455,600

One-man cars, 184,000

639,600

\$9,889,500

Depreciation on basis formulated by Public Service Commission and on 1918 investment, 1,104,000

Interest on investment (approximate), 2,500,000

Real estate and Federal taxes, 158,200

Total, \$13,651,700

Revenue based on continuance of present fares, 12,164,700

Deficit, \$1,487,000

Excise and franchise taxes on 1917 basis, prior to receivership, would add 330,900

Total deficit, \$1,817,900

These figures are for the property which it is expected the receiver will turn over to the Trustees.

In our opinion, the territory served by the Bay State System desires —

First. — Good service.

Second. — Just fares.

Third. — Abandonment of as few routes as possible.

Good service implies frequent service in comfortable cars and over properly maintained tracks. From the reports at hand, we are convinced that the expense of good service largely exceeds

the revenues from present rates of fare. This situation will make necessary further increases in fares. The receiver has concluded that ten cent fares would largely increase the revenues of the company, and that the problems facing the Trustees could be worked out with such fares. Whether or not that view is justified, we believe that fares higher than the present rates would be likely to increase congestion in city centers and would otherwise seriously impair the usefulness of the Bay State System to the communities served. Therefore we are recommending another solution of the problem. The history of fare raising in Massachusetts and elsewhere proves that while higher fares do produce more revenue, they produce it from a smaller number of passengers, as each increase drives away a portion of the business. The so-called long haul patrons are forced to make up this loss, and the street railway becomes less useful to the community.

Operating expenses can be substantially reduced by the abandonment of unprofitable routes. Court proceedings brought by the receiver to abandon 317 miles of track have demonstrated the serious results of this proposal. Many of these lines furnish the only means of transportation to and from their work for large numbers of people who have built homes outside of the cities. The cities gain direct benefits from these outlying lines which bring in labor to the mills and customers to the merchants. Any wholesale abandonment of routes in the Bay State territory will, in our opinion, be a general public misfortune.

Under the Bay State Public Control Act, the Trustees have no option but to collect the entire cost of service from the car rider. Wage increases have increased operating costs far beyond those prevailing when this legislation was enacted. Because of the changed conditions, we are forced to the conclusion that it is no longer equitable to require the car rider to pay the very high fares which will be necessary and that the car rider should be relieved, through taxation, of a moderate portion of the cost of service. In view of the unquestioned benefits which accrue to taxable property from adequate street railway service at reasonable rates, we believe that such an arrangement will not impose undue burdens on the taxpayer.

We therefore submit and recommend for enactment an amendment to the Bay State Public Control Act. This amendment provides that the first 5 cents of the cost of service per passenger shall be paid by the car rider and that any costs beyond 5 cents

per passenger shall be paid 50 per cent by the car rider and 50 per cent by general taxation. A commission would apportion the tax among the communities served and the initial payment by the taxpayer would be made in the fall of 1920. In our opinion, the enactment of this amendment will prevent Bay State fares from going above the present level and both fares and taxes will be gradually reduced as the Trustees are able to decrease operating costs. We believe also that it will enable the Trustees to continue in operation most of the lines which the receiver has petitioned the court for authority to discontinue.

As a general bill for the abolition of excise and franchise taxes is being submitted by the Public Service Commission, no reference to that phase of the subject is considered necessary in this report, except to say that the Trustees favor such legislation.

Respectfully submitted,

FREDERICK J. MACLEOD,
EVERETT E. STONE,

Public Service Commission.

HOMER LORING,
ISAAC SPRAGUE,
FRED J. CROWLEY,
ARTHUR G. WADLEIGH,
EARLE P. CHARLTON,

*Trustees appointed under Chapter 188
of the Special Acts of 1918.*

AN ACT AMENDING CHAPTER ONE HUNDRED AND EIGHTY-EIGHT OF THE SPECIAL ACTS OF THE YEAR NINETEEN HUNDRED AND EIGHTEEN.

Be it enacted, etc., as follows:

1 SECTION 1. Section seventeen of chapter one hundred and eighty-
2 eight of the Special Acts of the year nineteen hundred and eighteen
3 is hereby amended by adding at the end of said section the follow-
4 ing:—The trustees shall file with the treasurer and receiver general
5 after the expiration of the first three months' operation of the new
6 company by them, and after the expiration of each three months
7 thereafter during the period ending December thirty-first, nineteen
8 hundred and twenty-two, a statement showing for the previous three
9 months' period, the total cost of service, the passengers carried, the
10 revenue which the fares in effect during said period produced, and the
11 amount which a five-cent unit of fares would have yielded from the
12 same passengers. A copy of such statement shall be sent to each city
13 and town served by the company. Within thirty days after the
14 receipt of such statement the treasurer and receiver general shall
15 pay to the trustees fifty per cent of the amount by which the cost of
16 service exceeded the revenue on the basis of five cent fares as shown
17 in such statement. For the purposes of this act each zone shall be
18 treated as a fare unit and passengers riding on transfers shall not be
19 included. The amount paid by the treasurer and receiver general
20 shall be added to the reserve fund and shall be treated as income
21 in fixing the fares as provided in section fourteen; and shall be
22 repaid by the municipalities served by the company as hereafter
23 provided.

24 On or before the first day of January, nineteen hundred and twenty,
25 the governor, by and with the advice and consent of the council,
26 shall appoint three disinterested persons as commissioners who shall
27 not be residents of any of the cities and towns affected by the pro-
28 visions of this act. The commissioners so appointed shall after due
29 notice and hearing, and in such manner as they may deem just and
30 equitable, determine the proportion in which each of said cities
31 and towns shall pay money into the treasury of the commonwealth
32 to meet any amounts paid by the commonwealth for the year nine-
33 teen hundred and nineteen under the provisions of this act; and the
34 award of said commissioners shall be a final and conclusive adjudi-
35 cation of all matters herein referred to them. The amount of money
36 required by said award from each city or town for the year nineteen
37 hundred and nineteen shall be assessed upon it in the apportionment
38 and assessment of its annual state tax next succeeding the determi-
39 nation of said commissioners and shall be paid by it into the treasury
40 of the commonwealth at the time required for the payment and as a
41 part of its state tax. Said commissioners shall receive for their serv-

42 ices hereunder such reasonable compensation as may be allowed
43 by the governor and council, and the same shall be included as a
44 part of the whole sum to be apportioned, as above provided, on cities
45 and towns. Said commissioners shall also make such investigation
46 as they shall deem necessary to determine what in their opinion will
47 be a just and equitable manner of providing for the apportionment
48 of the annual payment of the amounts due to the commonwealth
49 from such cities and towns hereunder and shall report to the next
50 general court their conclusions thereon not later than the first Wednes-
51 day in March with a draft of such legislation as they may deem to
52 be necessary or proper to carry out said conclusion, — so that said
53 section shall read as follows: — *Section 16.* If, as of the last day of
54 any December, March, June or September, the amount of the reserve
55 fund shall exceed by fifty per cent or more the amount originally
56 established, plus such increases as may be made under this section,
57 and during the preceding three months the income shall have ex-
58 ceeded the cost of the service, the trustees shall, within thirty days
59 thereafter, put into effect a lower schedule of rates and fares, and
60 if, as of the last day of any December, March, June or September,
61 the amount of the reserve fund shall be less than fifty per cent of
62 the amount originally established, or as so increased, and during the
63 preceding three months the income has been less than the cost of
64 the service, the trustees shall, within thirty days thereafter put into
65 effect a higher grade of fare, and the rates and fares shall continue
66 to be decreased or to be increased as the case may be, subject to the
67 same conditions, if the amount of the reserve fund is above or below
68 the said limits, as of the said quarterly dates.

69 If in the discretion of the trustees it shall become advisable at
70 any time to increase the reserve fund, the trustees shall be author-
71 ized to do so by the sale of stock, bonds or other evidences of in-
72 debtedness, and the trustees are authorized subject to the approval
73 of the public service commission if in their opinion it is desirable,
74 for the purpose of preventing undue increases in fares during the
75 period of abnormal prices caused by the present war, to postpone
76 making amortization charges and charges against earnings to cover
77 depreciation until such period not exceeding one year after the
78 termination of the present war as they may fix.

79 The trustees shall file with the treasurer and receiver general after
80 the expiration of the first three months' operation of the new com-
81 pany by them, and after the expiration of each three months there-
82 after during the period ending December thirty-first, nineteen hun-
83 dred and twenty-two, a statement showing, for the previous three
84 months' period, the total cost of service, the passengers carried, the
85 revenue which the fares in effect during said period produced, and the
86 amount which a five-cent unit of fares would have yielded from the
87 same passengers. A copy of such statement shall be sent to each

88 city and town served by the company. Within thirty days after the
89 receipt of such statement the treasurer and receiver general shall pay
90 to the trustees fifty per cent of the amount by which the cost of
91 service exceeded the revenue on the basis of five cent fares as shown
92 in such statement. For the purposes of this act each zone shall be
93 treated as a fare unit and passengers riding on transfers shall not be
94 included. The amount paid by the treasurer and receiver general
95 shall be added to the reserve fund and shall be treated as income in
96 fixing the fares as provided in section fourteen; and shall be repaid
97 by the municipalities served by the company as hereafter provided.
98 On or before the first day of January, nineteen hundred and
99 twenty, the governor, by and with the advice and consent of the
100 council, shall appoint three disinterested persons as commissioners
101 who shall not be residents of any of the cities and towns affected by
102 the provisions of this act. The commissioners so appointed shall
103 after due notice and hearing, and in such manner as they may deem
104 just and equitable, determine the proportion in which each of said
105 cities and towns shall pay money into the treasury of the common-
106 wealth to meet any amounts paid by the commonwealth for the
107 year nineteen hundred and nineteen under the provisions of this
108 act; and the award of said commissioners shall be a final and con-
109 clusive adjudication of all matters herein referred to them. The
110 amount of money required by said award from each city or town
111 for the year nineteen hundred and nineteen shall be assessed upon it
112 in the apportionment and assessment of its annual state tax next
113 succeeding the determination of said commissioners, and shall be
114 paid by it into the treasury of the commonwealth at the time required
115 for the payment and as a part of its state tax. Said commissioners
116 shall receive for their services hereunder such reasonable compensa-
117 tion as may be allowed by the governor and council, and the same
118 shall be included as a part of the whole sum to be apportioned, as
119 above provided, on cities and towns. Such commissioners shall
120 also make such investigation as they shall deem necessary to deter-
121 mine what in their opinion will be a just and equitable manner of
122 providing for the apportionment of the annual payment of the
123 amounts due to the commonwealth from such cities and towns
124 hereunder, and shall report to the next general court their conclu-
125 sions thereon not later than the first Wednesday in January, with a
126 draft of such legislation as they may deem to be necessary or proper
127 to carry out said conclusion.

1 SECTION 2. This act shall take effect upon its passage.

II.

REPORT OF THE PUBLIC SERVICE COMMISSION ON SO MUCH OF SAID ORDER AS RELATES TO THE GENERAL STREET RAILWAY SITUATION.

In addition to the investigation and report which the Public Service Commission, under the terms of the order, is directed to make jointly with the Trustees of the Bay State system, the Commission is asked to make a survey of the general street railway situation of the commonwealth, to furnish certain information in relation thereto, and to make such recommendations as to it seem proper in the premises. The Commission, in the first place, is requested to report "the amount of the deficiency in the revenue of the said street railways." In response to that request the Commission has prepared certain statistical tables, appended hereto, showing the financial results of operation during recent years. Table I gives a condensed statement of street railway revenues and expenses for the years 1914 to 1919 inclusive; Tables II and III show the revenues and expenses of each company, subdivided according to the principal accounting classifications for the years ended December 31, 1917, and December 31, 1918, respectively; Table IV gives similar information, based upon estimates, for the year 1919; and Table V shows operating revenues and expenses per car-mile, and ratio of operating expenses to operating revenues, for 1917, 1918 and 1919.

All figures given for 1917 and previous years, and all income figures for 1918 are accurate, but in the case of certain companies the exact expenditures for the entire year 1918 could not be ascertained for certain items at this time. The figures given, which are based upon actual expenditures for eleven months and estimated expenditures for the month of December are, however, sufficiently accurate for all present purposes. It has been impossible, within the limitations of time available for the preparation of this report, to check the estimates for 1919 in detail, and indeed, an accurate check, in view of the uncertainties of the future, is impossible. It would appear, however, from such investigation as it has been found possible to make, that these estimates have, in general, been carefully and intelligently made, that any increases in expenses as compared with 1918, are based upon known factors, and that the estimates, while necessarily to some degree speculative, may be accepted as an approximation, as

nearly accurate as may now be made, to the actual financial results of operation for the current year. The profit and loss items for each company, as shown in Tables III and IV, represent the surplus or deficit for the year after the payment of operating expenses and fixed charges, but without making allowance for any dividend return on preferred or common stock, and in case of most of the companies are based upon an inadequate allowance for depreciation.

In order that the companies, in the language of the order, may be in a position "to keep necessary transportation facilities in operation," their revenues should be sufficient to enable them to make considerably larger allowances for depreciation than have, in general, been hitherto made, and to pay at least a moderate return upon investment. A company which is earning little or no return and is constantly depreciating in value because of inadequate upkeep and repair, cannot be expected to go on with a losing venture, and its early retirement from the transportation field may be anticipated.

We have not had opportunity to make the detailed investigation of property accounts necessary to arrive at a reasonably accurate estimate of depreciation requirements of the several companies. We have, however, estimated in the rough that in addition to the depreciation charges commonly provided for under maintenance accounts, provision should be made for an annual depreciation charge equivalent in amount to 1.8 per cent of the cost of permanent investments. This basis of estimate was reached by computing the percentage of the cost of permanent investments represented by the net amount allowed for depreciation by the Commission in the Bay State rate case after a careful investigation of the detailed figures submitted by the engineers of that company for the year ended June 30, 1914. It is to be observed that the total depreciation requirements of that company under the finding then made amounted to approximately 2.7 per cent of the cost of permanent investments, the difference representing depreciation provided for in the 1914 maintenance accounts. As the companies have in general been unable, particularly during the past year, to carry out their normal maintenance program owing to deficiencies in revenue and shortage in the labor supply, the depreciation charges which are included in their 1918 maintenance accounts are probably insignificant in amount. It is true that no uniform percentage of property investment will accurately reflect the depreciation re-

quirements of the several companies, owing to the diversity in the character of their plant and equipment, but in so far as conditions on the Bay State may be regarded as typical, the basis for estimating depreciation charges which we have suggested above is to be taken as a minimum rather than a maximum requirement. The additional allowance for depreciation which should be made by the several companies upon that basis is shown in Table VIII.

In addition to their operating expenses and fixed charges, street railway companies under the present law are entitled to a return of at least 6 per cent upon their bona fide stock investment if they can earn it by the establishment of just and reasonable rates. Under the terms of the order, however, it is not a question of what return, as matter of theory, is just and reasonable, but, in effect, what is the minimum return which will permit the companies to continue operation. The answer to that question is dependent in part upon whether the return is to be determined upon the basis of securing permanence of service for the indefinite future or merely with a view to meeting the conditions of the present and the immediate future. For reasons later stated we believe that all that can now be wisely done is to make provision for immediate street railway requirements and a rate of return on investment determined upon that basis. Just what this return should be is to a large extent a question of judgment. In our opinion it is necessary to make provision at least for the payment of all dividends on preferred stock and a return upon the legitimate investment represented by common stock substantially equivalent to what the companies were able to pay under normal operating conditions up to a maximum of 5 per cent. Such a return may be measured by the average annual dividend payments on common stock for the three-year period ended June 30, 1915. The stock return for the various companies upon that basis is indicated in Table VI. Upon the basis of the financial results of operation for the year 1918, adjusted by the allowances for depreciation and return on investment which we have indicated above, the deficiencies in revenue of the various companies which must, in our judgment, be met in order "to keep necessary transportation facilities in operation" are shown under the heading "Deficit" in Table VIII.

The Commission is also asked to report on "the amount of taxes and other public charges paid by street railway companies." Table VII shows the various classes of taxes that are now as-

sessed upon street railway companies and the amount paid by the several companies under each tax subdivision for the year 1918. In addition to the ordinary local taxes upon real estate and machinery, street railway companies under existing law pay a corporate franchise tax, at the average rate of local taxation, upon the market value of their capital stock less the value of their real estate and machinery, and a commutation or excise tax, varying from 1 per cent to 3 per cent of its gross receipts according to its revenue per mile of track, which is assessed by and paid to the various cities and towns served by the company upon the basis of track mileage, and is intended to commute any obligation on the part of the companies to contribute towards the cost of the construction, repair and maintenance of public ways. The companies are also obliged to pay a stated income tax and certain Federal and miscellaneous taxes of relatively small amount.

In addition to taxes, "other public charges" are paid by street railway companies through obligations requiring them to assume certain costs in connection with the maintenance and construction of public highways and bridges. Despite the enactment of the excise tax, requirements contained in original grants of locations with respect to the maintenance and repair of public ways still remain in full force and effect, so that the companies may be compelled to pay the excise tax, supposed to be in lieu of all work in the streets, and also to do in part the actual work as well. In many cases also where original grants contained no such provisions, the companies, in order to obtain locations for double track or relocations of existing track for more efficient operation, have been cajoled or coerced by the local authorities to contribute to the cost of municipal improvements by performing work upon the street which the statutes did not require or even contemplate. In connection with a widening or change in grade of a street or highway the companies are frequently obliged to change the location of their tracks at great expense. Additional public charges are paid by street railway companies under existing statutes requiring them to share in the expense of alteration or reconstruction of highway bridges on which they have locations, and to contribute up to 15 per cent of the total cost of abolition of highway grade crossings over which they operate. The expense of these bridge alterations and grade crossing eliminations often amounts to a large sum and is a serious burden

upon our street railway companies in their present straitened financial condition.

It has not been found possible to make even an approximate estimate of the annual amounts paid by the several street railway companies by reason of these various public obligations, as these amounts may vary widely from year to year, and as expenditures of this character are not separately classified and could not be ascertained except by a long and detailed investigation of separate items included in maintenance and reconstruction accounts. As some indication of the burden involved it may be pointed out that an investigation made in connection with the Bay State rate case in 1916 indicated that the company, since the enactment of the excise-tax law of 1898, had paid over \$2,000,000 for the cost of paving alone. If to the paving cost is added the expenses of grading, renewals of ties and rails incident to street changes, bridge alterations, grade crossing eliminations and other similar work which may be in the general public interest but is of little or no advantage to the companies, the total must represent a very substantial amount. The fact that so much of said costs as represents betterment may be capitalized does not prevent the practice from being burdensome to the companies.

The next inquiry suggested under the terms of the order is what, if any, part of the deficiency in revenue requirements "should be met by remission of taxes and other public charges and by appropriations of money, coupled with public control, by the localities and the commonwealth." If it is admitted, as we believe it must be, that street railway companies are performing a necessary public service, the cost of this service should be met by those who profit by it in proportion to the benefits received. The present system, which throws the entire cost of service upon the car riders, apparently rests upon the assumption that the individual riders are the only persons who have any legitimate interest in the maintenance of good local transportation facilities. The fallacy in such an assumption is so obvious that it scarcely needs to be pointed out. In addition to the benefits received by individual street railway patrons there is a very large community benefit which can be measured by the losses in industry, trade, real estate values and other forms of community wealth which would result if all street railway facilities were suddenly blotted out. For this benefit, up to the present time, the community has paid nothing and has succeeded not only in unloading its legiti-

mate part of the transportation burden upon the shoulders of the car rider, but also in making him pay, in addition, a portion of the cost of general municipal improvements through the imposition of special taxes and public charges, as indicated above. The only justification for the existing system is the fact that the burden is so widely distributed that fares in the past have been relatively low and their payment has involved no special hardship. But when the car riders are compelled, as a large proportion of them now are through reductions in fare zones and increases in the unit of fare, to pay increases of fare varying from 100 per cent to 400 per cent, the inequality of the present system is thrown into strong relief. The burden is one that the car rider not only ought not to pay but, broadly speaking, cannot pay under present economic conditions. The stake of the community in good transportation facilities is so large and the menace to community interests in the present situation is so grave that any plan involving a relatively small community contribution which will preserve our street railway facilities in full and efficient operation is to be regarded as a benefit rather than a burden from the standpoint of the community itself, and those who have the largest business and property interests in the cities and towns affected should be the most active, as they are the most interested, in bringing about such a solution.

The first step which should be taken in this direction is to relieve our street railway companies of the incubus of the special tax and public charges which have been described above, and we submit herewith a draft of a bill which is intended to accomplish that result.

Relief of this character will, however, go only a short way towards meeting absolutely essential revenue requirements and we are convinced that direct community contributions through the tax levy is the only practicable way out of our present transportation difficulties. Just what the measure of such contribution should be and precisely how the total cost of service should be apportioned as between the community and the car rider is a question of no little difficulty. The plan which we have submitted jointly with the trustees for the Bay State system is perhaps as fair a method as can be devised, but owing to the diversity in fare zones and methods of collection on the lines of the various companies, its general application to all the street railways of the commonwealth would be impracticable.

No plan would be reasonable which would relieve the car rider from bearing his full and proper share of the transportation cost, but he should not be asked, as he is in effect under the present system, when large deficiencies of revenue must be met, to submit to constant increases in fare limited only by the possibility of their becoming so high that he will be unable to ride at all. When, to use an illustration that is typical of what has frequently proved to be the fact, a street railway company can obtain an increase of 10 per cent in its gross revenue, which it sorely needs and to which it is justly entitled, only by putting the service beyond the reach of some of its patrons and compelling the remainder to pay increases in fare of from 50 per cent to 100 per cent, it is time that some method involving less economic waste should be found for making up the deficiency.

Despite the large and burdensome increases in fares already made, the deficiencies in revenue are so large that under the existing system there must be further fare increases of large amount, with the possibility if not the probability that the increase in revenue, owing to the law of diminishing return, will prove wholly inadequate and that we shall be faced with a breakdown of our transportation facilities. We believe that the most urgent need of the present street railway situation is to take measures that will not only save the public from the further increases of fare which are now imminent, but will permit the gradual reduction of present fares to a more moderate level.

Instead of the present rigid system under which the entire cost of the service must be borne by the car rider, irrespective of where the application of that principle may lead, those charged with the responsibility of establishing or regulating street railway fares should be allowed sufficient discretion to enable them to fix fares which are consistent with the general public interest. It is easier to understand the principle which should govern than to state it by any concise and specific formula. It may, however, be expressed by requiring fares to be fixed which will meet the cost of the service in so far as this may be done without unduly hampering or discouraging the free movement of traffic and the economic development of the communities served or otherwise injuriously affecting the general public interest.

If fares established upon that basis do not yield sufficient revenue to meet the legitimate requirements of the company, the

balance should be met by an addition to the tax levy up to a reasonable maximum which we suggest should be \$2 on each \$1,000 of assessed valuation. Any such appropriations should be "coupled with public control" as suggested by the order and indeed it is doubtful under the recent constitutional amendment whether any other course is open.

We have prepared and submit herewith a draft of a bill embodying the general plan which we have outlined. This draft was hurriedly prepared and doubtless has many defects in form and detail, but we believe that the general scheme presented is sound in principle and recommended both by considerations of justice and of expediency. In attempting to work out the plan in detail it was necessary in making provision for the assessment of taxes, to meet the situation resulting from the fact that about seventy cities and towns are served by two or more street railway companies. As one of such companies might accept the act and the others not, we have suggested that the tax in such cities and towns should be apportioned upon the basis of track mileage. With this adjustment we believe that the tax should be apportioned to the various cities and towns served on the basis of valuation. This method is based upon the ability of the several communities to pay, which is the principle underlying all taxation. An apportionment on the basis of the number of car riders, which is the method adopted in the special Bay State and Boston Elevated acts, seems to us illogical and unsound, as it is not those who ride but those who fail to ride who are responsible for the present deficits, and who should, in so far as they now share gratuitously in the community benefits of street railway transportation, be primarily reached under any scheme of taxation. The practical effect of the general plan we have recommended is shown in Table VIII for all companies except the Boston Elevated, Bay State and Massachusetts Northeastern companies. Provision for the assessment of the revenue deficiency is already made in the Boston Elevated act and a separate plan for the assessment of such deficiency in the case of the Bay State System is presented in the portion of this report made jointly with the Bay State Trustees. The other exception is the Massachusetts Northeastern Street Railway Company which, as pointed out in our last annual report, is an interstate road incorporated in both Massachusetts and New Hampshire with its lines interlacing across the boundary between the two states. If it should be thought desirable, some feasible

method might possibly be found for accomplishing the same general results in the case of that company, but this could probably be done only through a special act.

Table VIII gives the actual receipts and expenditures of the remaining companies for the year 1918 adjusted by making the suggested allowances for depreciation and investment return and by eliminating the excise and franchise taxes. On the basis of the revenue requirements so found, it also shows the additional tax rate which would be required in the districts served by the various companies. Four companies, the East Taunton, Linwood, Lowell and Fitchburg, and Union fully meet the revenue requirements defined in the act without any tax contribution. These companies would not be affected by the act as they would have no inducement to accept it. In the case of all the other companies there would be a deficit to be met from the tax levy amounting in the average to \$1.24 per \$1,000 of valuation. Seven companies, the Berkshire, Blue Hill, Boston and Worcester, Concord, Maynard and Hudson, Milford, Attleborough and Woonsocket, and Nahant and Lynn would require the maximum tax of \$2, and even that amount would be insufficient to meet their estimated revenue requirements. In the case of three important roads, the Springfield, Holyoke, and Middlesex and Boston, the rate would be approximately \$1; the rate for the Worcester Consolidated would be \$1.31; and the rate for the other roads would vary from \$1.96 for the Northern Massachusetts down to \$0.17 for the Interstate Consolidated.

Table IX shows the method by which the valuation of the territory served by respective companies has been computed, and, in the case of cities and towns served by more than one company, shows the percentage of the total valuation which has been assigned to each company.

It is to be observed that the additional tax rate which would be necessary for the several companies is based upon the revenues and expenses for 1918 and the fares prevailing throughout that year. If the estimates for 1919 were taken as the basis, the amount of the tax contribution payable by the several companies would show a slight variation from the figures given, but should in general be slightly less, as the estimated deficit of operation of all the companies for 1919 is somewhat less than the figures for 1918. If fares were to be substantially reduced below the present level and if this should result in a decrease in revenue, the amount of the tax would be proportionately in-

creased. The plan, however, could not well be put into effect before the latter half of the present year, and by that time prices should begin to show a decline below their present abnormal level. As this tendency is likely to be progressive, the tax burden should show a corresponding decrease from year to year while the plan remains in operation.

The plan we have suggested is not intended to be permanent but merely a measure for tiding over the present emergency. The legislation suggested is therefore to be effective only until December 31, 1922. However impatient we may feel to reach a permanent solution of our street railway troubles, we cannot wisely tie ourselves to an untried experiment for the indefinite future. If the experiment after a three-years' trial proves successful, there is nothing to prevent its continuance, but if it should prove otherwise we ought to have a way of retreat left open. Besides, the whole situation at the present time is so fraught with uncertainty and it is so difficult to differentiate the permanent factors of our street railway problem from those which are merely temporary, that we should content ourselves with meeting the present emergency and not attempt to devise a permanent plan until conditions have returned to normal.

It is true that any temporary plan and, indeed, any permanent plan which falls short of public ownership will not fully restore street railway credit. The plan we have suggested should at least improve credit and by making better provision for depreciation should assist in the rehabilitation of the properties and thus make possible better service as well as lower fares than would otherwise prevail.

Under the act submitted, the plan is to become effective upon its acceptance by the company. It would also be desirable, if it were practicable, that it should be conditioned also upon its acceptance by the communities served, through a referendum, but owing to the complications arising from the fact that certain of the cities and towns may also be served by other companies we have been unable to see just how such a referendum could be taken. Moreover, where the plan is merely temporary, there is less occasion for a referendum than if the plan were permanent. Of course, the act might be made subject to acceptance by the city and town governments in the territory served by the company, but unless their action should prove to be uniform it is a question how far the action taken by one municipality could properly be overruled by the action of another. In the absence

of a referendum, we believe that the sentiment of the community in regard to matters of legislation can best be expressed through its representatives in the general court.

Commissioner Joseph B. Eastman, who has recently been appointed to the Interstate Commerce Commission and whose term of office as a member of this Commission expires on February 15, 1919, the date of this report, has been unable to participate in the final deliberations of the Commission upon this matter or in the preparation of this report. He has therefore submitted a separate statement of general views, which is appended hereto, together with a draft of a proposed act to provide for acquisition by the Commonwealth of the property of street railway companies. While we have not had opportunity to examine the proposed act in detail, it appears in its main features to embody the recommendations made in our last annual report. As the legislation suggested is merely permissive and is limited to giving practical effect to any arrangement which the Commonwealth and the street railway companies might find to their mutual advantage, we concur with Commissioner Eastman in recommending its adoption.

Respectfully submitted,

FREDERICK J. MACLEOD,
EVERETT E. STONE,

Public Service Commission.

MEMORANDUM.

FEBRUARY 15, 1919.

In the discussion of the street railway situation which was contained in its last annual report, and after suggesting a possible means of improving the present unsatisfactory state of affairs through public acquisition of the street railway properties, the Commission made the following statement:—

The Commission has not attempted to draft a specific bill providing either for a temporary scheme of public aid or for the more permanent plan of public acquisition of the railway properties, nor indeed to formulate such a plan with any degree of definiteness. We have endeavored merely to state the issue and furnish a starting point for discussion. The new policy which we have suggested is too far-reaching in its consequences and penetrates too far into fields, like taxation, of which we have little special knowledge, to justify us in urging it with confidence or in developing it at this stage with greater particularity. It needs above all things the consideration of many minds from many angles. Furthermore, evidence of public demand is essential. It is useless to undertake the difficult task of preparing definite and comprehensive legislation upon this subject, unless there is sound reason to believe that it will be in accord with public opinion and receive the wholehearted support of the community. So strongly do we feel upon this point that we should not favor the adoption of any plan, no matter how great the public demand might seem to be, unless provision were made for final submission to a referendum vote. It is of vital importance that the people of the commonwealth should accept the new policy, if it is to be adopted, and become directly responsible for its success.

It was also stated that public ownership would insure a much-needed supply of capital and make lower fares feasible, and that there seems at present no other reasonably certain way of accomplishing these results. The plan outlined in our report, however, would involve a radical departure from the policy which Massachusetts has heretofore followed, together with a possible substantial increase in taxation, and I should not wish to urge it strongly until it has received more discussion and consideration than it has yet received, nor unless there is evidence of real public demand. The latter point is particularly important. The plan of public acquisition proposed ought not to be forced upon a community against its will, and its success, in my judgment, would be largely influenced by the measure of public support which it received. While I do not share the intense fear of public

ownership or even of public operation which some appear to have, undoubtedly new problems would be created and it would be difficult to deal with these satisfactorily without the loyal co-operation of the public and widespread appreciation of the fact that no new plan of this magnitude can be perfected in a moment.

A further objection to the adoption at the present time of any scheme for general public acquisition lies in existing uncertainty as to the ultimate and real value of the street railway properties. The war has created abnormal conditions and it is impossible to know, and difficult to predict, how far these conditions have permanency and how far they are liable to radical change within the near future. The earning power of some of the street railway companies, even under high fares, now seems very low, but there are indications that traffic may return and that expenses may presently decrease. If the commonwealth should now take the properties by condemnation proceedings, undoubtedly these considerations would be urged with much force by able counsel, and there is no certainty as to the conclusion which the courts might finally reach in assessing compensation. Under the circumstances, in addition to the large cost of the litigation, the commonwealth might find itself required to pay a price which subsequent events would show to have been unwarranted. This high degree of uncertainty makes me unwilling for the present to propose legislation providing for the immediate and general acquisition of street railway properties through exercise of the power of eminent domain.

Great care is also desirable in considering any plan for public aid which does not involve public acquisition of the properties. For the reasons stated in our annual report, I have not been impressed with the advantages of temporary financial aid from the public treasury. It would be most unfortunate if such aid should seem to take the form of a public subsidy for the mere purpose of rescuing investment. Our street railway companies are entitled to charge such rates as may be just and reasonable, — sufficient, if possible, to earn a fair return upon legitimate investment; and this is why so many increases in fares have been permitted. But it is not always possible to earn a fair return, and where this is the case the investors in a street railway are no more entitled to relief from the public treasury than any other class of private investors. If public aid is granted at all, it seems to me that it should be extended in the conviction that

existing high street railway fares, or the still higher fares which may impend, are injurious to the social and economical development and welfare of the community, and primarily for the purpose of securing fares which are more in accord with the general public interest.

As a basis for further public discussion and consideration of the question at the present time, I am prepared to recommend legislation which will make possible acquisition of street railway properties by the commonwealth, under certain conditions, and submit a draft of such legislation herewith. This draft is crude, doubtless incomplete in many respects, and capable of improvement in both general structure and detail. It may, however, prove to contain the germ of a useful idea and serve as a nucleus for a statute more perfectly constructed. The draft provides, in brief, for the possible purchase of street railway properties by the commonwealth, rather than for their acquisition through the exercise of the power of eminent domain. The Public Service Commission is authorized to enter into negotiations for such purchase, subject to certain restrictions, and to conclude preliminary agreements providing therefor. No such transaction is to be consummated, however, until it has been submitted to and approved by the local authorities of at least two-thirds of the cities and towns in which the property is located, representing at least a majority of the population affected. In other words, local consent to the purchase is required. In its negotiations the Commission is limited to a purchase price which does not exceed what it believes the property to be reasonably worth, taking into consideration cost, physical condition, and present and prospective earning power, and which is not greater in any event than the amount found to have been honestly and prudently invested in the property. The purchase price is to be paid, not in cash, but in bonds of the commonwealth bearing interest at such rate, not exceeding 5 per cent, as the Commission may determine.

In case only a comparatively small amount of property is so acquired, the Commission is empowered to appoint a public manager, but if and when more than 200 miles of street railway track are acquired, this arrangement is superseded by authorizing the governor to appoint a director of street railways to take charge of all such street railway properties owned by the commonwealth. The public manager or director of street railways is given full authority to manage and operate the properties of which he has charge, subject in general to existing street rail-

way laws. In the case of fares, however, he is authorized to establish rates which will go so far as he deems practicable toward meeting the cost of service without hampering or discouraging the free movement of traffic or the economic development of the community. Rates so established are not subject to suspension, but may be reviewed by the Commission upon complaint. If the income proves insufficient to meet the cost of service, deficiencies are to be met out of the State treasury, in the first instance, and assessed back upon the cities and towns involved in proportion to population. Any surplus is to be distributed among the cities and towns in a similar manner. Provision is made for the issue of additional bonds of the commonwealth to meet the cost of extensions or additions and improvements which are approved by the Commission, or to meet the cost of replacements to the extent that the purchase price is less than the amount originally invested in the property. All taxes are eliminated, but provision is made for compensating the communities for the loss of real estate taxes, and jitney competition is to be permitted only with the approval of the public manager or director of street railways.

This proposed legislation is submitted in the belief, among other reasons, that there are street railway properties within the commonwealth which could probably be acquired, under existing conditions, at substantially less than the amount of the original investment. Within the past two years certain small railways have been abandoned and sold for scrap; there are others where such action seems not improbable; and there are certain larger companies whose future prospects are sufficiently uncertain so that their owners might well prefer to accept a smaller amount of State bonds with an assured return, rather than to continue an unsuccessful struggle to earn full return upon the entire investment. Acquired at such depreciated values and with capital available at low cost for improvements which would render possible more efficient and economical operation, there is a reasonable prospect that these properties could be operated with greater net advantage to the public than is now obtained.

The plan thus proposed is conservative and so hedged about by safeguards that it is quite possible that it would be unproductive of concrete results. It can easily be converted, however, into more comprehensive or more direct legislation, if public opinion and experience warrant, as conditions become more settled. From another point of view it is also to be borne in

mind that the plan for public operation and for the establishment of fares, as outlined in the draft submitted, can be changed at the will of the legislature, and that even with public ownership it would be possible at any time to provide for private operation, if that seemed desirable, or to place a larger share of the cost of service upon the fares collected than the legislation in its present form might involve.

Certain special legislation in regard to the Bay State street railway has been proposed by the public trustees who were appointed by the governor under the provisions of chapter 188 of the Special Acts of 1918, relative to that road. Under that act these trustees, as soon as the present company has been reorganized, will have practically full responsibility for the fares and service of the system for a period of at least ten years. Under the circumstances it seems to me sufficient to say that the proposed legislation is not inconsistent with the general theory of the act under which the trustees were appointed. It would probably prevent at least an attempt to secure additional revenue from fares higher than those now in force, and would aid in bringing about the reorganization of the present company upon the terms which the legislature has endorsed. If there is sufficient evidence that the legislation so proposed is supported by public opinion in the territory affected, I do not object to it.

Respectfully submitted,

JOSEPH B. EASTMAN.

AN ACT TO RELIEVE STREET RAILWAY COMPANIES OF THE
PAYMENT OF CERTAIN TAXES AND ASSESSMENTS AND
OTHER OBLIGATIONS.

Be it enacted, etc., as follows:

1 SECTION 1. No street railway corporation shall hereafter be re-
2 quired to pay any corporate franchise tax or commutation tax, or be
3 required to pay by assessment, taxation or otherwise directly or in-
4 directly any part of the expense of the construction, alteration,
5 change of grade, maintenance or repair of any street, highway or
6 bridge, or of any structure therein or thereon, or on account of any
7 change of location of a street railway when such change is required
8 by any public authorities, or for or on account of the abolition of any
9 grade crossing or the removal of wires from the surface of any street
10 or highway to an underground conduit or other receptacle for such
11 wires, or to pay or incur any expense whatever for or in connection
12 with the construction, alteration, maintenance or repair of any street,
13 highway or bridge: *provided, however*, that if the surface of any street
14 or highway shall be opened or disturbed by such corporation for any
15 purpose relating to the operation of its street railway, nothing in this
16 section shall be construed to relieve it from the expense of restoring
17 the surface of such street or highway to its original condition; and
18 *provided, further*, that nothing herein shall relieve the street railway
19 company from the payment of any assessment or expense made or
20 incurred for or on account of work done or to be done under a valid
21 order or decree made before the passage of this act in a proceeding
22 relating to the abolition of any grade crossing or to the construction,
23 alteration, maintenance or repair of any street, highway or bridge
24 to which such street railway company was a party, or made or in-
25 curred before the passage of this act under any act of the general court.

1 SECTION 2. All acts and parts of acts so far as they are incon-
2 sistent with the provisions of this act are hereby repealed.

1 SECTION 3. This act shall take effect upon its passage.

AN ACT TO AUTHORIZE THE ESTABLISHMENT OF STREET
RAILWAY FARES UPON A MORE EQUITABLE BASIS.

Be it enacted, etc., as follows:

1 SECTION 1. Any street railway company, except the Boston Ele-
2 vated Railway Company, the Bay State Street Railway Company
3 and the Massachusetts Northeastern Street Railway Company, and
4 the successors of any of the said companies, which accepts this act as
5 provided in section eleven, shall thereafter be subject to the provisions
6 of this act with reference to the matters specified herein, but in all
7 other respects shall be subject to the general laws relating to street
8 railway companies. The words "the company" as used herein shall
9 mean any street railway company which has accepted this act; the
10 words "the commission" shall mean the public service commission
11 or its predecessor, the board of railroad commissioners.

1 SECTION 2. Upon the acceptance of this act by any company
2 whose total operating revenues, as shown by its annual return to the
3 commission for the year ended December thirty-first, nineteen hun-
4 dred and eighteen, amounted to five hundred thousand dollars or
5 over, the governor, with the advice and consent of the council, shall
6 appoint three persons to act as trustees of such company, and upon
7 the acceptance of this act by any company whose total operating rev-
8 enues so shown for such year amounted to less than five hundred thou-
9 sand dollars, the governor, with the advice and consent of the council,
10 shall appoint one person to act as trustee of such company as herein-
11 after provided. The person or persons so appointed, hereinafter called
12 the trustees, shall serve from the date of appointment until the thirty-
13 first day of December, nineteen hundred and twenty-two, and each
14 shall receive from the company as compensation for his services five
15 thousand dollars annually. The trustees, upon the first day of the
16 month next following their appointment and qualification, shall
17 assume the management and operation of the company, and, subject
18 to the provisions of this act, shall continue to exercise said management
19 and operation until the thirty-first day of December, nineteen hundred
20 and twenty-two, when said management and operation shall terminate.
21 The governor shall fill any vacancy for the unexpired term and may
22 remove any trustee with the advice and consent of the council.

23 Said trustees shall not be considered public officers within the
24 meaning of section twenty-five of chapter five hundred and fourteen
25 of the acts of nineteen hundred and nine, but shall be subject in all
26 other respects to the provisions of said section to the same extent
27 as are the directors of the company, but said section shall not apply
28 to recommendations by the governor to the trustees. The provisions
29 of section one of chapter seven of the Revised Laws shall not apply
30 to the trustees.

1 SECTION 3. The trustees shall manage and operate the company
2 for the period specified in section two, and, for the purposes of this
3 act, shall, except as is otherwise provided herein, have and may exer-
4 cise all the rights and powers of the company and its directors, and,
5 upon its behalf, shall receive and disburse its income and funds.
6 They shall have the right to appoint and remove in their discretion
7 the president, treasurer and clerk of the company, and all other officers
8 of the company except the board of directors. They shall have the
9 right to regulate and fix rates and fares, including the issue, granting
10 and withdrawal of transfers, and the imposition of charges therefor,
11 and in respect thereto their authority shall be exclusive, and shall
12 not be subject to the approval, control or discretion of any other
13 state board or commission except as provided in this act. They shall
14 determine the character and extent of the service and facilities to be
15 furnished, and may from time to time make changes therein; but the
16 commission shall have power, upon complaint in writing relative to
17 the character or extent of the equipment, appliances, service or facil-
18 ities furnished, signed by the mayor of any city, or the selectmen of
19 any town in which the company operates, or by not less than twenty
20 patrons of the company, and after notice and public hearing, to in-
21 vestigate the matter complained of, and to determine the just, reason-
22 able, safe, adequate and proper equipment, appliances, service or
23 facilities thereafter to be furnished, and shall fix and prescribe the
24 same by order to be served upon the trustees. No lines may be con-
25 structed or purchased beyond the limits of existing lines, and no
26 existing lines or any portion thereof shall be sold, nor shall any con-
27 tracts for such construction, purchase or sale be entered into, without
28 the consent of the directors.

1 SECTION 4. The trustees shall have authority to make contracts
2 in the name and on behalf of, and to issue stock, bonds and other
3 evidences of indebtedness of, the company. The stockholders of the
4 company shall, as heretofore, elect a board of directors which shall,
5 however, during the period of public operation, have no control over
6 the management and operation of the street railway company, but
7 its duties shall be confined to maintaining the corporate organization,
8 protecting the interests of the corporation so far as necessary, and
9 taking such action from time to time as may be deemed expedient in
10 cases, if any, where the trustees cannot act in its place. The by-laws
11 of the company shall be modified, as far as may be necessary, to
12 conform to the provisions of this act.

13 By its acceptance of this act, the company and the stockholders
14 and directors thereof shall be deemed to have assented to and au-
15 thorized all issues of stock, bonds and other evidences of indebtedness
16 which the trustees may find necessary or advisable during the period
17 of public operation, or which may be required during the period of

18 public operation to carry out any existing or future obligations of the
19 company; but, notwithstanding such assent and authorization, the
20 stockholders and directors shall from time to time take such action
21 with respect thereto as may be requested by the trustees.

22 Such sum as may be deemed reasonable shall be allowed to the
23 board of directors each year by the trustees to provide for the main-
24 tenance of the corporate organization of the company and the per-
25 formance of such duties as may be necessary by the company and
26 the directors.

1 SECTION 5. The trustees shall from time to time fix rates and fares
2 which will go so far as they shall deem to be practicable, without
3 unduly hampering or discouraging the free movement of traffic and
4 the economic development of the communities served or otherwise
5 injuriously affecting the general public interest, towards producing
6 sufficient income to meet operating expenses, taxes, rentals, interest
7 payments, such allowances as they may deem necessary or advisable,
8 or as may be required by the public service commission, for deprecia-
9 tion of property, and for obsolescence and losses in respect to prop-
10 erty sold, destroyed, or abandoned, and all other expenditures and
11 charges which under the laws of the commonwealth now or hereafter
12 in effect, may properly be chargeable against income or surplus,
13 including stated dividends on the preferred stock and a return upon
14 the amount of the cash or fair value of the property paid in for com-
15 mon stock and properly expended for capital purposes, such amount
16 to be determined by the commission, and the rate of such return to
17 be equivalent to one-third of the aggregate rates paid as dividends
18 on the common stock of the company during the three years ended
19 June thirtieth, nineteen hundred and fifteen, but in no case to exceed
20 five per cent. Any rates and fares so fixed, in the exercise of reason-
21 able discretion by the trustees, in accordance with the provisions of
22 this section shall be deemed just and reasonable.

1 SECTION 6. If the income of the company for the year ended
2 December thirty-first, nineteen hundred and nineteen, or for any
3 year thereafter during the period of public management and opera-
4 tion, is insufficient to meet the expenditures, allowances and payments
5 provided for in section five, it shall be the duty of the trustees to
6 notify the commission of the total amount of such deficiency during
7 such year, or a pro rata amount of such deficiency for any fractional
8 year, during which the company has been under such management
9 and operation. Upon the receipt of such notification the commission
10 shall certify to the treasurer and receiver general of the common-
11 wealth the amount of the deficiency in the income of the company
12 for such year or fractional year, such amount to be the amount of the
13 deficiency reported to the commission by the trustees, with such

14 deduction, if any, as may be necessary to reduce the amount of such
15 deficiency to a sum equivalent to two dollars for each one thousand
16 dollars of the amount determined by the commission, in accordance
17 with the provisions of section seven, to be the assessed valuation for
18 such year in the district served by the company, and the common-
19 wealth shall thereupon pay over to the company the amount so cer-
20 tified by the commission. In order to meet any payment required of
21 the commonwealth under the provisions of this section, the treasurer
22 and receiver-general may borrow at any time, in anticipation of the
23 assessments to be levied upon the cities and towns in accordance with
24 the provisions of section eight, such sums of money as may be neces-
25 sary to make said payments, and he shall repay any sums so borrowed
26 as soon after said assessments are paid as is expedient.

1 SECTION 7. In determining the amount of the assessed valuation
2 in the district served by the company, the commission shall include a
3 proportionate part of the amount of the assessed valuation in each city
4 or town in which the company and any other street railway company
5 operate, such proportionate part to be determined upon the basis of
6 the mileage of street railway line, computed as single track, which is
7 owned and operated by the company, as compared with the total
8 mileage so computed which is owned and operated by all street rail-
9 way companies in such city or town, and shall include the total amount
10 of the assessed valuation in all other cities and towns in which the
11 company owns and operates a line of street railway. The aggregate of
12 all amounts so included shall, within the meaning of this act, be
13 taken as the assessed valuation in the district served by the company.

1 SECTION 8. In case the commonwealth shall be called upon to
2 pay to the company any amount under the provisions of section six,
3 such amount, with interest or other charges incurred in borrowing
4 money for the purpose, shall be assessed upon the cities and towns in
5 which the company operates by an addition to the state tax next
6 thereafter assessed in proportion to the amount of the assessed valu-
7 ation in each city and town which is included by the commission in
8 determining the total amount of the assessed valuation in the district
9 served by the company in accordance with the provisions of section
10 seven, such amount for each of said cities and towns to be determined
11 and certified to the treasurer and receiver-general by the commission.

1 SECTION 9. The acceptance of this act by the company shall
2 constitute an agreement upon its part to sell to the commonwealth or
3 any political sub-division thereof at any time during the period of
4 public management and operation its whole assets, property and
5 franchises as a going concern upon the assumption by the common-

6 wealth of all its outstanding indebtedness and liabilities and the pay-
7 ment of an amount in cash equal to the amount paid in in cash by its
8 stockholders for stock then outstanding.

9 The provisions of this section shall not preclude the commonwealth
10 or any political sub-division thereof from acquiring the said property
11 or any of it through the exercise of the power of eminent domain.

1 SECTION 10. Upon the termination of the period of public man-
2 agement and operation as herein provided, the company shall manage
3 and operate the property and shall have all the powers and privileges
4 and be subject to all the liabilities and restrictions of a street railway
5 company organized under the general laws now or hereafter in force.

1 SECTION 11. This act shall take effect upon its acceptance by the
2 company given by a vote of the holders of not less than a majority of
3 all the stock at a meeting held for the purpose and the filing of a copy
4 of said vote with the secretary of the commonwealth.

AN ACT TO PROVIDE FOR ACQUISITION BY THE COMMON- WEALTH OF THE PROPERTY OF STREET RAILWAY COM- PANIES.

Be it enacted, etc., as follows:

1 SECTION 1. Subject to the limitations and upon the terms and
2 conditions hereinafter set forth, any street railway company operat-
3 ing within the commonwealth may sell and convey all of its property
4 to the commonwealth.

1 SECTION 2. The public service commission, hereinafter called the
2 commission, may, to such extent as it deems consistent with the public
3 interest, enter into negotiations with the board of directors of any
4 street railway company with respect to the sale and conveyance of
5 all the property of said company to the commonwealth. In such event
6 the commission is hereby authorized to enter, in the manner herein-
7 after set forth, into a preliminary agreement with said board of directors
8 for such sale and conveyance, subject to the following restrictions:—

9 *First.*— The purchase price shall not exceed the amount which
10 the commission believes the property to be reasonably worth, taking
11 into consideration cost, physical condition, and present and pros-
12 pective earning power; nor shall it in any event exceed the amount
13 found by the commission to have been honestly and prudently in-
14 vested in the property.

15 *Second.*— Said purchase price shall be payable in bonds of the
16 commonwealth, bearing interest at such rate not exceeding five per
17 cent as the commission may determine.

18 *Third.* — The property shall be conveyed free of any mortgage or
19 lien, but shall include not only physical property but all intangible
20 property, such as franchises and leasehold or other contract rights.

1 SECTION 3. If a majority of the commission and a majority of the
2 board of directors of any street railway company are able to enter into
3 a preliminary agreement, subject to the restrictions aforesaid, for
4 the sale and conveyance of all the property of said company and its
5 purchase by the commonwealth, said preliminary agreement and all
6 its details shall be drawn up in writing and a copy thereof shall forth-
7 with be submitted to the board of selectmen of every town and to
8 the city council (or similar representative body) of every city in
9 which said street railway company operates, and also to every stock-
10 holder of record of said company, together with copies of statements
11 by the commission and by the board of directors indicating fully
12 what they believe to be the reasons and justification for the proposed
13 transaction and the terms and conditions thereof, and together with
14 any dissenting statements by minority members of the commission
15 or of the board of directors.

1 SECTION 4. If said preliminary agreement is not, within ninety
2 days of its submission, accepted by the boards of selectmen or city
3 councils (or similar representative bodies) of two-thirds of said cities
4 and towns, having a majority of the population of the entire district,
5 and by two-thirds in interest of the stockholders of the street railway
6 company, it shall be null and void and no further action shall be
7 taken thereunder. Upon receipt by the commission, however, within
8 said period of ninety days, of duly attested copies of formal votes of
9 acceptance by the boards of selectmen or city councils (or similar
10 representative bodies) of two-thirds of said cities and towns, having a
11 majority of the population of the entire district, and by two-thirds in
12 interest of the stockholders of the street railway company, the com-
13 mission shall thereupon be empowered forthwith, in the name and
14 behalf of the commonwealth, to take such further steps as may be
15 necessary to execute a contract in writing for the carrying out of said
16 preliminary agreement, and to take possession of the property so
17 conveyed. For this purpose the treasurer and receiver general, upon
18 request in writing by the commission, shall issue and deliver to the
19 commission for use in accordance with the terms of said contract, bonds
20 of the commonwealth designated on their face "Commonwealth —
21 Street Railway Loan", of such term, not exceeding fifty years, as
22 the treasurer and receiver-general may determine, of such amount as
23 the commission shall specify, and bearing interest payable semi-
24 annually at such rate, not exceeding five per cent per annum, as the
25 commission shall determine. The requirements of chapter three of

26 the acts of nineteen hundred and twelve relative to the issue of bonds
27 upon the serial payment plan shall not apply to the issue of bonds
28 hereunder.

1 SECTION 5. If the property of any street railway company is
2 purchased by the commonwealth under the provisions of this act,
3 the commission is hereby empowered forthwith to appoint a public
4 manager of such property to serve for such term and at such salary
5 as the commission may fix; *provided, however*, that if and when all the
6 street railway property which the commonwealth has so acquired
7 includes more than two hundred miles of street railway track, the
8 governor, with the advice and consent of the council, shall be em-
9 powered to appoint a director of street railways to take charge of all
10 such property for such term and at such salary as the governor may
11 fix, superseding any public manager or managers who may have
12 been appointed by the commission.

1 SECTION 6. A public manager appointed by the commission or a
2 director of street railways appointed by the governor, in accordance
3 with the provisions of this act, shall have full authority, in the name
4 and behalf of the commonwealth to manage and operate the street
5 railway property over which he is placed and to perform all acts need-
6 ful and proper in connection therewith; *provided, however*, that in such
7 management and operation he shall be subject, in the same manner and
8 to the same extent as a street railway company, to all general laws
9 now or hereafter in effect and applicable to the management and
10 operation of street railways, except as herein otherwise specifically
11 provided.

1 SECTION 7. The public manager or director of street railways, as
2 the case may be, shall from time to time initiate and establish rates
3 and charges for the transportation of passengers and freight which
4 will go so far towards producing sufficient income to meet the cost of
5 service, as hereinafter defined, as he shall deem to be practicable with-
6 out unduly hampering or discouraging the free movement of traffic
7 and the economic development of the communities served. The
8 rates and charges so established shall be filed with the commission,
9 but shall not be subject to suspension by the commission. The com-
10 mission shall, however, have power upon complaint to review such
11 rates and charges, and, after notice and a public hearing, to require
12 such changes to be made from time to time as in its opinion the public
13 interest may demand. The cost of service shall include operating
14 expenses, any payments in lieu of taxes as hereinafter provided,
15 rentals, such allowance as the public manager or director of street
16 railways may deem necessary or advisable for depreciation of prop-
17 erty and for losses in respect to property sold, destroyed or abandoned,

18 all other expenditures and charges which under the laws of the com-
19 monwealth now or herein in effect may be properly chargeable against
20 income or surplus, and interest on all indebtedness of the common-
21 wealth incurred in connection with the street railway property in
22 question. In establishing fares and charges, the director of street rail-
23 ways may also, in his discretion, divide the street railway property in
24 his charge into sections and ascertain, as nearly as may be, and be
25 guided by the cost of service within each such section.

1 SECTION 8. Upon request of a public manager appointed by the
2 commission or a director of street railways appointed by the governor,
3 in accordance with the provisions of this act, the treasurer and receiver-
4 general shall pay over to such public manager or director of street
5 railways any amount which from time to time may be necessary, over
6 and above income received from operation, to meet the cost of service,
7 as above defined, upon the street railway property of which such
8 public manager or director of street railways has charge, or any section
9 thereof; and in order to meet any payment so requested, the treas-
10 urer and receiver-general may borrow at any time, in anticipation
11 of the assessments to be levied upon cities and towns as hereinafter
12 provided, such sums of money as may be necessary to make such
13 payments, and he shall repay any sums so borrowed as soon after
14 said assessments are paid as is expedient.

1 SECTION 9. In case the treasurer and receiver-general shall be
2 called upon during any fiscal year to pay to a public manager or to a
3 director of street railways any amount or amounts under the provi-
4 sions of the preceding section, at the end of such year the net amount
5 so paid, after deducting any repayments as hereinafter provided,
6 together with interest or other charges incurred in borrowing money
7 for the purpose, shall be assessed upon the cities and towns within
8 the district served by the street railway lines involved, by an addi-
9 tion to the State tax next thereafter assessed, in proportion to the
10 number of persons in said cities and towns using the service of such
11 lines, said proportion to be determined and reported to the treasurer
12 and receiver-general by the public manager or director of street rail-
13 ways, as the case may be, from computations made in his discretion
14 for the purpose. If, at the end of any fiscal year, the public manager
15 or director of street railways has in his possession a surplus, after
16 meeting the total cost of service during said year upon the street
17 railway properties of which he has charge, or any section thereof,
18 such surplus shall be used to repay to the commonwealth any sums
19 advanced by the treasurer and receiver general during said year,
20 including interest or other charges incurred in connection therewith,
21 and any balance thereafter remaining shall be distributed among the

22 cities and towns within the district served by the street railway lines
23 involved, in the same proportion as above provided in the cases of
24 assessments levied upon such cities and towns.

1 SECTION 10. For the purpose of making extensions of street rail-
2 way lines or additions and improvements to the street railway prop-
3 erty of which a public manager or director of street railways appointed
4 under the provisions of this act has charge, to the extent which may
5 be approved by the commission, the treasurer and receiver-general
6 shall provide said public manager or director of street railways with
7 such sums as he may request in writing, and for this purpose the
8 treasurer and receiver general may issue and sell additional bonds of
9 the commonwealth of the class and description provided for in section
10 four hereof. Insofar as the purchase price paid by the commonwealth
11 for said street railway property may be less than the amount found
12 by the commission to have originally been invested honestly and
13 prudently in said property, similar payments, up to the amount of
14 such difference, shall be made and similar bonds may be issued by
15 the treasurer and receiver-general, upon request in writing of the
16 public manager or director of street railways and with the approval of
17 the commission, for the purpose of making renewals or replacements
18 of portions of such street railway property, and the cost of such
19 renewals or replacements, if met in such manner, shall not be included
20 in the cost of service as defined in section seven hereof.

1 SECTION 11. Unless specific approval in writing is given by the
2 commission, no contract for construction or for materials or supplies
3 shall be let by a public manager or by a director of street railways
4 appointed under the provisions of this act, except to the lowest bidder
5 in open competition, and no contract shall be entered into without
6 such approval for a term exceeding one year.

1 SECTION 12. No taxes shall be levied upon or in connection with
2 street railway property acquired by the commonwealth, but a public
3 manager or director of street railways appointed under the provisions
4 of this act shall pay annually to each city or town in which real estate
4 is located which is a part of the property in his charge, a sum equal to
6 the taxes paid to such city or town on account of such real estate in
7 the year preceding its acquisition by the commonwealth, and any
8 such sum shall be included in the cost of service as defined in section
9 seven hereof.

1 SECTION 13. Except with the permission of the public manager
2 or director of street railways, as the case may be, no motor vehicle
3 shall be operated upon any public street or way for the carriage of

4 passengers for hire in such manner as to afford a means of transporta-
5 tion similar to that afforded by a street railway, in any city or town
6 in which street railway property owned by the commonwealth is
7 located.

1 SECTION 14. Nothing herein contained shall be construed to pre-
2 vent the general court at any time from changing the method of
3 managing and operating street railway properties owned by the com-
4 monwealth as herein provided.

1 SECTION 15. This act shall take effect upon its passage.

TABLE I. — *Condensed Statement of Capital Stock, Revenues, Expenses and Surplus of the Operating Street Railway Companies for the Years 1914 to 1919¹ inclusive.*

COMPANY.	Capital Stock.	Capital Stock and Premiums.	Operating Revenue.	Total Income.	Operating Expenses.	Taxes and Fixed Charges.	Surplus.
1914.							
Bay State,	\$23,265,800 00	\$23,623,280 00	\$9,428,113 15	\$9,635,910 78	\$6,304,630 33	\$2,006,984 26	\$1,324,296 19
Boston Elevated,	23,879,400 00	26,586,828 13	17,629,616 81	17,785,978 25	11,297,861 46	5,230,948 24	1,257,168 55
All other roads,	29,618,400 00	30,902,005 89	12,426,533 74	12,452,991 68	8,840,585 19	2,424,280 98	1,188,125 51
Total,	\$76,763,600 00	\$81,112,114 02	\$39,484,263 70	\$39,874,880 71	\$26,443,076 98	\$9,662,213 48	\$3,769,590 25
1915.							
Bay State,	\$23,265,800 00	\$23,623,280 00	\$9,339,528 82	\$9,528,434 46	\$6,821,320 71	\$2,004,564 04	\$702,549 71
Boston Elevated,	23,879,400 00	26,586,828 13	17,798,607 73	17,886,549 64	11,287,983 33	5,274,347 20	1,324,219 11
All other roads,	30,021,900 00	31,305,505 89	12,218,973 58	12,260,523 75	8,892,280 48	2,285,696 67	1,082,546 60
Total,	\$77,167,100 00	\$81,515,614 02	\$39,357,110 13	\$39,675,507 85	\$27,001,584 52	\$9,564,607 91	\$3,109,315 42
1916.							
Bay State,	\$24,001,500 00	\$24,358,980 00	\$10,182,550 32	\$10,386,141 30	\$7,882,424 40	\$1,969,563 68	\$534,153 22
Boston Elevated,	23,879,400 00	26,586,828 13	19,286,975 27	19,375,260 13	12,654,122 32	5,555,795 29	1,165,342 52
All other roads,	32,841,800 00	34,220,065 89	13,501,038 41	13,617,750 03	10,021,396 09	2,284,431 87	1,311,922 07
Total,	\$80,722,700 00	\$85,165,874 02	\$42,970,564 00	\$43,379,151 46	\$30,557,942 81	\$9,809,790 84	\$3,011,417 81

1917.							
Bay State,	\$24,531,500 00	\$24,888,980 00	\$10,651,453 92	\$10,829,105 40	\$8,543,383 21	\$1,941,040 99	\$344,681 20
Boston Elevated,	23,879,400 00	26,586,828 13	19,733,875 96	19,818,407 01	13,547,124 28	5,553,776 87	717,505 86
All other roads,	32,599,800 00	33,978,065 89	14,214,508 62	14,319,512 86	11,511,605 27	2,337,012 29	470,895 30
Total,	\$81,010,700 00	\$85,453,874 02	\$44,599,838 50	\$44,967,025 27	\$33,602,112 76	\$9,831,830 15	\$1,533,082 36
1918.							
Bay State,	\$24,531,500 00	\$24,889,980 00	\$10,470,765 37	\$10,533,030 03	\$10,788,254 02	\$1,846,195 00	\$2,101,418 99 ²
Boston Elevated,	26,879,400 00	29,586,828 13	20,976,964 95	21,062,692 82	17,996,097 32	6,053,301 52	2,986,706 02 ²
All other roads,	33,412,300 00	34,789,565 89	13,916,320 08	13,989,888 01	12,041,391 95	2,337,519 93	389,023 87 ²
Total,	\$84,823,200 00	\$89,266,374 02	\$45,364,050 40	\$45,585,610 86	\$40,825,743 29	\$10,237,016 45	\$5,477,148 88 ²
1919.¹							
Bay State,	\$24,531,500 00	\$24,889,980 00	\$11,902,984 06	\$11,964,984 06	\$11,499,178 00	\$1,936,901 00	\$1,471,094 94 ²
Boston Elevated,	26,879,400 00	29,586,828 13	20,976,964 65	21,062,692 82	17,996,097 32	6,053,301 52	2,986,706 02 ²
All other roads,	33,412,300 00	34,789,565 89	15,012,971 20	15,073,594 35	12,975,819 57	2,365,553 91	267,779 13 ²
Total,	\$84,823,200 00	\$89,266,374 02	\$47,892,919 91	\$48,101,271 23	\$42,471,094 89	\$10,355,756 43	\$4,725,580 09 ²

¹ Estimated.² Deficit.

TABLE II. — *Income Statement, 1917.*

COMPANY.	Passenger Revenue.	Other Operating Revenue.	Total Operating Revenue.	Conducting Transportation.	Depreciation.	Other Operating Expenses.	Total Operating Expenses.
Berkshire,	\$1,009,399 48	\$84,315 94	\$1,093,715 42	\$292,680 43	\$57,085 04	\$602,319 00	\$952,084 47
Blue Hill,	84,230 20	4,239 20	88,469 40	24,601 05	1,642 20	52,446 94	78,690 19
Boston & Worcester,	704,483 41	150,681 66	855,165 07	212,258 88	12,000 00	367,584 19	591,843 07
Brockton & Plymouth,	113,351 83	10,734 43	124,086 26	35,631 69	2,493 60	80,529 91	118,655 20
Concord, Maynard & Hudson,	76,965 78	1,629 91	78,595 69	17,181 17	913 80	52,408 76	70,503 73
Connecticut Valley,	230,437 83	22,131 37	252,569 20	56,803 16	1,073 72	136,173 25	194,050 13
East Taunton,	48,186 52	150 00	48,336 52	8,981 42	2,596 51	25,647 30	37,225 23
Fitchburg & Leominster,	383,381 31	18,798 49	402,179 80	99,840 00	1,500 00	192,567 85	293,907 85
Holyoke,	700,076 56	17,057 13	717,133 69	203,824 64	7,037 46	346,956 16	557,818 26
Interstate Consolidated,	170,247 33	24,191 05	194,438 38	67,234 21	-	104,299 72	171,533 93
Linwood,	23,119 75	669 41	23,789 16	8,431 86	2,271 35	7,057 94	17,761 15
Lowell & Fitchburg,	95,836 20	3,547 73	99,383 93	18,512 49	750 00	46,987 36	66,249 85
Massachusetts Northeastern,	801,141 91	25,329 44	826,471 35	208,280 98	3,122 40	493,433 68	704,837 06
Middlesex & Boston,	1,045,441 26	33,373 57	1,078,814 83	350,910 02	12,856 00	491,380 95	855,146 97
Milford, Attleboro & Woonsocket,	96,810 10	11,321 93	108,132 03	36,331 48	2,457 51	59,560 81	98,349 80
Milford & Uxbridge,	269,287 69	45,804 01	315,091 70	94,081 11	4,934 88	154,219 17	253,235 16
Nahant & Lynn,	42,499 66	-	42,499 66	14,422 80	1,134 60	25,361 09	40,918 49
New Bedford & Onset,	125,884 67	64,719 55	190,604 22	36,346 13	2,276 22	114,020 96	152,643 31
Norfolk & Bristol,	100,122 57	1,036 01	101,158 58	28,866 11	3,408 16	58,005 91	90,280 18
Northampton,	220,331 55	5,411 67	225,743 22	56,427 82	2,585 80	118,775 19	177,788 81
Northern Massachusetts,	207,845 16	28,577 75	236,422 91	62,099 19	2,354 08	122,924 98	187,378 25
Norton, Taunton & Attleboro,	63,966 33	1,026 65	64,992 98	19,808 39	-	43,274 15	63,082 54
Point Shirley,	8,957 80	-	8,957 80	4,383 89	-	5,818 19	10,202 08
Swansea & Seekonk,	22,624 92	21,584 39	44,209 31	10,926 53	744 30	32,650 87	44,321 70
Shelburne Falls & Colrain,	11,043 93	17,315 72	28,359 65	6,042 05	302 23	14,281 33	20,625 61
Springfield,	2,372,143 47	123,091 51	2,495,234 98	928,734 38	40,631 72	1,396,513 22	2,365,879 32
Union,	1,055,934 29	99,929 44	1,155,863 73	352,084 53	92,659 15	424,798 53	869,542 21
Worcester Consolidated,	3,201,766 09	147,309 24	3,349,075 33	976,506 85	61,265 64	1,389,278 23	2,427,050 72
Totals,	\$13,285,517 60	\$963,977 20	\$14,249,494 80	\$4,232,233 26	\$320,096 37	\$6,959,275 64	\$11,511,605 27

TABLE II. — *Income Statement, 1917* — Concluded.

COMPANY.	Net Revenue Railway Operations.	Taxes.	Operating Income.	Non- operating Income.	Gross Income.	Deductions from Gross Income.	Profit and Loss.
Berkshire,	\$141,630 95	\$59,906 14	\$81,724 81	\$1,821 56	\$83,546 37	\$317,907 50	\$234,361 13 ¹
Blue Hill,	9,779 21	2,828 41	6,950 80	5 06	6,955 86	21,498 40	14,542 54 ¹
Boston & Worcester,	263,322 00	55,293 45	208,028 55	463 72	208,492 27	124,886 74	83,605 53
Brockton & Plymouth,	5,431 06	5,947 15	516 09 ¹	230 16	285 93 ¹	14,931 92	15,217 85 ¹
Concord, Maynard & Hudson,	8,091 96	3,322 52	4,769 44	1,619 25	6,388 69	15,738 87	9,350 18 ¹
Connecticut Valley,	58,519 07	9,128 09	49,390 98	6,864 41	56,255 39	46,409 80	9,845 59
East Taunton,	11,111 29	3,309 26	7,802 03	638 16	8,440 19	2,250 00	6,190 19
Fitchburg & Leominster,	108,271 95	20,836 24	87,435 71	1,372 01	88,807 72	59,467 52	29,340 20
Holyoke,	159,315 43	43,945 28	115,370 15	404 48	115,774 63	75,055 91	40,718 72
Interstate Consolidated,	22,904 45	6,395 70	16,508 75	1,258 48	17,767 23	14,300 20	3,467 03
Linwood,	6,028 01	903 80	5,124 21	—	5,124 21	—	5,124 21
Lowell & Fitchburg,	33,134 08	2,132 14	31,001 94	1,778 58	32,780 52	13,775 69	19,004 83
Massachusetts Northeastern,	121,634 29	31,715 30	89,918 99	24,350 68	114,269 67	72,553 04	41,716 63
Middlesex & Boston,	223,667 86	36,827 84	186,840 02	666 51	187,506 53	155,886 20	31,620 33
Milford, Attleboro & Woonsocket,	9,782 23	3,566 69	6,215 54	851 95	7,067 49	15,331 81	8,264 32 ¹
Milford & Uxbridge,	61,856 54	12,905 47	48,951 07	—	48,951 07	30,916 92	18,034 15
Nahant & Lynn,	1,581 17	2,387 86	806 69 ¹	—	806 69 ¹	6,423 32	7,230 01 ¹
New Bedford & Onset,	37,960 91	8,333 20	29,627 71	—	29,627 71	21,015 99	8,611 72
Norfolk & Bristol,	10,878 40	3,376 31	7,502 09	803 63	8,305 72	10,000 00	1,694 28 ¹
Northampton,	47,954 41	20,920 90	27,033 51	997 20	28,030 71	2,526 65	25,504 06
Northern Massachusetts,	49,044 66	9,353 25	39,691 41	10,984 54	50,675 95	41,939 58	8,736 37
Norton, Taunton & Attleboro,	1,910 44	1,547 21	363 23	—	363 23	3,567 98	3,204 75 ¹
Point Shirley,	1,244 28	63 63	1,307 91 ¹	44 29	1,263 62 ¹	170 00	1,433 62 ¹
Swansea & Seekonk,	112 39	1,058 34	1,170 73 ¹	43 89	1,126 84 ¹	10,115 90	11,242 74 ¹
Shelburne Falls & Colrain,	7,734 04	1,342 54	6,391 50	—	6,391 50	4,879 46	1,512 04
Springfield,	129,355 66	117,144 83	12,210 83	2,278 90	14,489 73	147,668 99	133,179 26 ¹
Union,	286,321 52	95,215 77	191,105 75	—	191,105 75	21,801 47	169,304 28
Worcester Consolidated,	922,024 61	235,441 69	686,582 92	12,540 60	699,123 52	290,843 42	408,280 10
Totals,	\$2,737,889 53	\$795,149 01	\$1,942,740 52	\$70,018 06	\$2,012,758 58	\$1,541,863 28	\$470,895 30

¹ Deficit.

TABLE III.—*Income Statement, 1918.*

COMPANY.	Passenger Revenue.	Other Operating Revenue.	Total Operating Revenue.	Conducting Transportation.	Depreciation.	Other Operating Expenses.	Total Operating Expenses.
Berkshire,	\$800,111 35	\$56,657 70	\$856,769 05	\$267,960 21	\$9,059 14	\$760,579 00	\$1,037,598 35
Blue Hill,	76,879 25	1,408 76	78,288 01	25,068 26	1,642 20	54,222 64	80,933 10
Boston & Worcester,	675,510 78	200,756 13	876,266 91	255,543 26	12,000 00	431,306 28	698,849 54
Brockton & Plymouth,	94,152 36	7,114 35	101,266 71	34,957 10	2,493 34	73,041 71	110,492 15
Concord, Maynard & Hudson,	62,227 62	820 18	63,047 80	15,200 00	132 60	51,967 40	67,300 00
Connecticut Valley,	203,626 51	21,265 23	224,891 74	66,500 00	2,153 40	136,346 60	205,000 00
East Taunton,	45,973 50	150 00	46,123 50	9,837 30	2,596 51	23,030 12	35,463 93
Fitchburg & Leominster,	442,853 50	20,383 27	463,236 77	111,429 89	1,500 00	240,884 33	353,814 22
Holyoke,	683,676 17	18,513 01	702,189 18	210,016 28	7,200 00	355,933 46	573,149 74
Interstate Consolidated,	155,446 19	30,727 61	186,173 80	67,184 10	—	84,922 32	152,106 42
Linwood,	22,650 47	727 09	23,377 56	10,607 81	2,065 21	5,036 61	17,709 63
Lowell & Fitchburg,	122,913 76	3,190 54	126,104 30	26,441 20	750 00	63,648 87	90,840 07
Massachusetts Northeastern,	741,901 36	17,541 39	759,442 75	216,232 73	3,573 78	482,047 97	701,854 48
Middlesex & Boston,	941,893 26	27,943 34	969,836 60	330,264 24	—	458,894 08	789,158 32
Milford, Attleboro & Woonsocket,	103,951 99	12,273 23	116,225 22	43,134 12	2,555 81	69,975 90	115,665 83
Milford & Uxbridge,	280,790 82	33,263 61	314,054 43	97,667 43	7,500 00	155,583 83	260,751 26
Nahant & Lynn,	57,606 38	72 00	57,678 38	18,767 56	1,134 60	30,090 64	49,992 80
New Bedford & Onset,	116,400 57	106,774 59	223,175 16	35,353 52	2,589 23	157,559 65	195,502 40
Norfolk & Bristol,	94,195 03	953 25	95,148 28	36,710 33	3,763 17	65,379 67	105,853 17
Northampton,	197,546 98	5,829 64	203,376 62	56,016 27	2,567 44	123,797 56	182,381 27
Northern Massachusetts,	192,252 35	24,629 92	216,882 27	65,600 00	2,351 16	137,148 84	205,100 00
Norton, Taunton & Attleboro,	69,455 63	2,637 98	72,093 61	20,731 00	—	50,269 00	71,000 00
Point Shirley,	8,076 00	—	8,076 00	4,268 80	100 00	7,647 70	12,016 50
Swansea & Seekonk,	25,041 11	17,425 71	42,466 82	10,662 32	992 40	29,507 76	41,162 48
Shelburne Falls & Colrain,	9,599 56	18,250 29	27,849 85	4,521 84	302 23	17,352 44	22,176 51
Springfield,	2,460,196 55	128,264 80	2,588,461 35	990,924 11	44,557 88	1,221,558 82	2,257,040 81
Union,	1,050,544 95	94,567 79	1,145,112 74	397,276 35	69,848 71	410,380 67	877,505 73
Worcester Consolidated,	3,170,373 04	158,331 63	3,328,704 67	1,096,135 77	65,932 57	1,568,904 90	2,730,973 24
Totals,	\$12,905,847 04	\$1,010,473 04	\$13,916,320 08	\$4,525,011 80	\$249,361 38	\$7,267,018 77	\$12,041,391 95

TABLE III. — *Income Statement, 1918* — Concluded.

COMPANY.	Net Revenue Railway Operations.	Taxes.	Operating Income.	Non- operating Income.	Gross Income.	Deductions from Gross Income.	Profit and Loss.
Berkshire,	\$180,829 30 ¹	\$61,843 32	\$242,672 62 ¹	\$1,075 85	\$241,596 77 ¹	\$319,637 25	\$561,234 02 ¹
Blue Hill,	2,645 09 ¹	2,724 53	5,369 62 ¹	—	5,369 62 ¹	21,221 51	26,591 13 ¹
Boston & Worcester,	177,417 37	58,086 55	119,330 82	398 90	119,729 72	133,621 59	13,891 87 ¹
Brockton & Plymouth,	9,225 44 ¹	5,677 79	14,903 23 ¹	162 98	14,740 25 ¹	16,981 10	31,721 35 ¹
Concord, Maynard & Hudson,	4,252 20 ¹	2,455 67	6,707 87 ¹	464 16	6,243 71 ¹	15,500 00	21,743 71 ¹
Connecticut Valley,	19,891 74	8,925 28	10,966 46	3,280 84	14,247 30	43,300 00	29,052 70 ¹
East Taunton,	10,659 57	3,483 51	7,176 06	834 76	8,010 82	1,398 36	6,612 46
Fitchburg & Leominster,	109,422 55	21,808 99	87,613 56	199 30	87,812 86	69,019 74	18,793 12
Holyoke,	129,039 44	42,069 46	86,979 98	4,111 73	91,081 71	78,058 69	13,023 02
Interstate Consolidated,	34,067 38	8,742 00	25,325 38	916 73	26,242 11	13,041 87	13,200 24
Linwood,	5,667 93	1,395 40	4,272 53	59 60	4,332 13	669 81	3,662 32
Lowell & Fitchburg,	35,264 23	6,052 98	29,211 25	2,547 16	31,758 41	13,750 00	18,008 41
Massachusetts Northeastern,	57,588 27	28,357 66	29,230 61	22,760 93	51,991 54	76,722 32	24,730 78 ¹
Middlesex & Boston,	180,678 28	37,365 15	143,313 13	734 89	144,048 02	154,444 68	10,396 66 ¹
Milford, Attleboro & Woonsocket,	559 39	3,552 92	2,993 53 ¹	801 33	2,192 20 ¹	15,986 20	18,178 40 ¹
Milford & Uxbridge,	53,303 17	13,540 05	39,763 12	10,324 37	50,087 49	45,518 33	4,569 16
Nahant & Lynn,	7,685 58	1,979 87	5,705 71	—	5,705 71	6,464 88	759 17 ¹
New Bedford & Onset,	27,672 76	5,374 20	22,298 56	—	22,298 56	21,170 23	1,128 33
Norfolk & Bristol,	10,704 89 ¹	3,128 42	13,833 31 ¹	8 45	13,824 86 ¹	10,000 00	23,824 86 ¹
Northampton,	20,995 35	19,539 11	1,456 24	1,588 75	3,044 99	4,202 19	1,157 20 ¹
Northern Massachusetts,	11,782 27	9,334 74	2,447 53	3,100 68	5,548 21	42,000 00	36,451 79 ¹
Norton, Taunton & Attleboro,	1,093 61	1,575 85	482 24 ¹	—	482 24 ¹	4,660 00	5,142 24 ¹
Point Shirley,	3,940 50 ¹	63 06	4,003 56 ¹	18 25	3,985 31	136 00	4,121 31 ¹
Swansea & Seekonk,	1,304 34	2,670 65	1,366 31 ¹	835 34	530 97 ¹	1,898 40	2,429 37 ¹
Shelburne Falls & Colrain,	5,673 34	1,149 51	4,523 83	—	4,523 83	5,036 46	512 63 ¹
Springfield,	331,420 54	99,965 56	231,454 98	3,868 65	235,323 63	179,563 87	55,759 76
Union,	267,607 01	86,807 61	180,799 40	2,465 76	183,265 16	43,792 16	139,473 00
Worcester Consolidated,	597,731 43	153,622 46	444,108 97	13,008 52	457,117 49	308,431 99	148,685 50
Totals,	\$1,874,928 13	\$691,292 30	\$1,183,635 83	\$73,567 93	\$1,257,203 76	\$1,646,227 63	\$389,023 87 ¹

¹ Deficit.

TABLE IV. — *Income Statement, 1919.*¹

COMPANY.	Passenger Revenue.	Other Operating Revenue.	Total Operating Revenue.	Conducting Transportation.	Depreciation.	Other Operating Expenses.	Total Operating Expenses.
Berkshire,	\$1,023,623 35	\$60,607 78	\$1,084,231 13	\$366,193 05	\$10,000 00	\$811,405 30	\$1,187,598 35
Blue Hill,	90,000 00	3,000 00	93,000 00	25,068 26	1,642 20	48,289 54	75,000 00
Boston & Worcester,	711,147 00	230,740 00	941,887 00	295,543 00	12,000 00	441,306 00	748,849 00
Brockton & Plymouth,	112,982 00	2,300 00	115,282 00	35,000 00	2,400 00	72,600 00	110,000 00
Concord, Maynard & Hudson,	75,250 00	800 00	76,050 00	16,000 00	262 20	49,737 80	66,000 00
Connecticut Valley,	234,000 00	25,000 00	259,000 00	70,000 00	2,120 40	127,879 60	200,000 00
East Taunton,	51,173 00	150 00	51,323 00	14,960 40	2,896 51	44,373 78	62,230 69
Fitchburg & Leominster,	521,000 00	20,000 00	541,000 00	139,000 00	1,500 00	250,500 00	391,000 00
Holyoke,	783,500 00	17,235 00	800,735 00	234,970 00	7,200 00	361,935 00	604,105 00
Interstate Consolidated,	177,000 00	27,900 00	204,900 00	75,000 00	-	103,600 00	178,600 00
Linwood,	22,650 47	727 09	23,377 56	11,668 59	1,800 00	5,301 82	18,770 41
Lowell & Fitchburg,	135,000 00	4,000 00	139,000 00	32,500 00	750 00	62,250 00	98,500 00
Massachusetts Northeastern,	817,000 00	17,500 00	834,500 00	259,500 00	3,573 78	481,926 22	745,000 00
Middlesex & Boston,	941,893 26	27,943 34	969,836 60	360,000 00	-	514,500 00	874,500 00
Milford, Attleboro & Woonsocket,	120,000 00	11,200 00	131,200 00	48,000 00	2,650 00	70,250 00	120,900 00
Milford & Uxbridge,	308,923 52	33,263 61	342,187 13	108,197 01	17,230 00	162,608 81	288,035 82
Nahant & Lynn,	57,606 38	72 00	57,678 38	18,767 56	1,134 60	30,090 64	49,992 80
New Bedford & Onset,	120,000 00	105,000 00	225,000 00	40,000 00	2,500 00	159,500 00	202,000 00
Norfolk & Bristol,	94,195 03	953 25	95,148 28	36,710 33	3,763 17	65,379 67	105,853 17
Northampton,	245,000 00	6,000 00	251,000 00	59,900 00	2,575 00	134,925 00	197,400 00
Northern Massachusetts,	232,000 00	30,000 00	262,000 00	69,000 00	2,125 14	128,874 86	200,000 00
Norton, Taunton & Attleboro,	73,000 00	1,000 00	74,000 00	22,000 00	-	51,000 00	73,000 00
Point Shirley,	8,076 00	-	8,076 00	4,268 80	100 00	7,647 70	12,016 50
Swansea & Seekonk,	25,041 11	17,425 71	42,466 82	10,662 32	992 40	29,507 76	41,162 48
Shelburne Falls & Colrain,	11,500 00	17,500 00	29,000 00	6,300 00	302 23	16,697 77	23,300 00
Springfield,	2,576,700 00	124,000 00	2,700,700 00	1,100,000 00	48,000 00	1,192,500 00	2,340,500 00
Union,	1,100,000 00	93,392 00	1,193,392 00	472,276 35	70,000 00	415,229 00	957,505 35
Worcester Consolidated,	3,325,000 00	142,000 00	3,467,000 00	1,206,000 00	71,000 00	1,727,000 00	3,004,000 00
Totals,	\$13,993,261 12	\$1,019,709 78	\$15,012,970 90	\$5,137,485 67	\$268,517 63	\$7,569,816 27	\$12,975,819 57

¹ Estimated.

TABLE IV. — *Income Statement, 1919*¹ — Concluded.

COMPANY.	Net Revenue Railway Operations.	Taxes.	Operating Income.	Non- operating Income.	Gross Income.	Deductions from Gross Income.	Profit and Loss.
Berkshire,	\$103,367 22 ²	\$64,199 59	\$167,566 81 ²	\$1,075 85	\$166,490 96 ²	\$319,637 25	\$486,128 21 ²
Blue Hill,	18,000 00	2,822 90	15,177 10	—	15,177 10	22,000 00	6,822 90 ²
Boston & Worcester,	193,038 00	59,863 67	133,174 33	400 00	133,574 33	140,000 00	6,425 67 ²
Brockton & Plymouth,	5,282 00	5,500 00	218 00 ²	—	218 00 ²	17,400 00	17,618 00 ²
Concord, Maynard & Hudson,	10,050 00	3,500 00	6,550 00	950 00	7,500 00	16,000 00	8,500 00 ²
Connecticut Valley,	59,000 00	9,500 00	49,500 00	3,000 00	52,500 00	43,000 00	9,500 00
East Taunton,	10,907 69 ²	3,592 52	14,500 21 ²	325 00	14,175 21 ²	1,050 00	15,225 21 ²
Fitchburg & Leominster,	150,000 00	25,000 00	125,000 00	200 00	125,200 00	72,000 00	53,200 00
Holyoke,	196,630 00	46,828 00	149,802 00	200 00	150,002 00	78,058 00	71,944 00
Interstate Consolidated,	26,300 00	7,400 00	18,900 00	500 00	19,400 00	13,000 00	6,400 00
Linwood,	4,607 15	1,395 40	3,211 75	59 60	3,271 35	700 00	2,571 35
Lowell & Fitchburg,	40,500 00	7,420 00	33,080 00	2,500 00	35,580 00	13,750 00	21,830 00
Massachusetts Northeastern,	89,500 00	27,531 28	61,968 72	\$25,000 00	86,968 72	76,722 32	10,246 40
Middlesex & Boston,	95,336 60	36,416 90	58,919 70	734 89	59,654 59	154,444 68	94,790 09 ²
Milford, Attleboro & Woonsocket,	10,300 00	3,820 00	6,480 00	800 00	7,280 00	16,000 00	8,720 00 ²
Milford & Uxbridge,	54,151 31	14,300 36	39,850 95	4,016 32	43,867 27	45,853 31	1,986 04 ²
Nahant & Lynn,	7,685 58	1,979 87	5,705 71	—	5,705 71	6,464 88	759 17 ²
New Bedford & Onset,	23,000 00	5,000 00	18,000 00	—	18,000 00	21,100 00	3,100 00 ²
Norfolk & Bristol,	10,704 89 ²	3,128 42	13,833 31 ²	\$ 45	13,824 86 ²	10,000 00	23,824 86 ²
Northampton,	53,600 00	18,917 00	34,683 00	1,500 00	36,183 00	4,200 00	31,983 00
Northern Massachusetts,	62,000 00	9,700 00	52,300 00	3,000 00	55,300 00	43,000 00	12,300 00
Norton, Taunton & Attleboro,	1,000 00	1,680 00	680 00 ²	—	680 00 ²	7,680 00	8,360 00 ²
Point Shirley,	3,940 50 ²	63 00	4,003 50 ²	18 00	3,985 50 ²	136 00	4,121 50 ²
Swansea & Seekonk,	1,304 34	2,670 65	1,366 31 ²	835 34	530 97 ²	1,898 40	2,429 37 ²
Shelburne Falls & Colrain,	5,700 00	1,149 51	4,550 49	—	4,550 49	5,000 00	449 51 ²
Springfield,	360,200 00	104,200 00	256,000 00	3,500 00	259,500 00	179,600 00	79,900 00
Union,	235,886 65	90,000 00	145,886 65	—	145,886 65	35,000 00	110,886 65
Worcester Consolidated,	463,000 00	156,280 00	306,720 00	12,000 00	318,720 00	308,000 00	10,720 00
Totals,	\$2,037,151 33	\$713,859 07	\$1,323,292 26	\$60,623 45	\$1,383,915 71	\$1,651,694 84	\$267,779 13 ²

¹ Estimated.² Deficit.

TABLE V. — Operating Revenues and Expenses per Car Mile and Ratio of Operating Expenses to Operating Revenues for the Years 1917, 1918 and 1919.¹

COMPANY.	OPERATING REVENUE PER CAR MILE (CENTS).			OPERATING EXPENSES PER CAR MILE (CENTS).			RATIO OF OPERATING EXPENSES TO OPERATING REVENUE (PER CENT).		
	1917.	1918.	1919. ¹	1917.	1918.	1919. ¹	1917.	1918.	1919. ¹
Bay State,	33.50	40.08	45.07	26.57	41.29	43.55	79.29	103.03	96.61
Berkshire,	28.97	34.16	37.59	26.05	41.37	41.17	89.93	121.10	109.53
Blue Hill,	25.65	25.75	27.00	22.81	26.62	21.77	88.95	103.38	80.64
Boston Elevated,	33.19	39.56	39.56	22.78	33.94	33.94	68.65	85.79	85.79
Boston & Worcester,	42.00	48.34	51.98	29.07	38.55	41.33	69.21	79.75	79.50
Brockton & Plymouth,	26.19	24.21	27.58	25.04	26.41	26.33	95.62	109.11	95.42
Concord, Maynard & Hudson,	30.15	34.83	33.78	27.05	37.18	29.33	89.70	106.74	86.79
Connecticut Valley,	31.86	39.58	41.44	24.48	36.08	32.00	76.83	91.16	77.30
East Taunton,	29.92	28.43	30.18	22.27	21.86	36.70	77.01	76.89	121.25
Fitchburg & Leominster,	34.71	40.68	47.42	25.37	31.07	34.26	73.08	76.38	72.28
Holyoke,	31.13	37.56	43.28	24.21	30.66	32.65	77.78	81.62	75.46
Interstate Consolidated,	26.49	33.22	33.59	23.37	27.14	29.28	88.22	81.70	87.16
Linwood,	35.59	38.32	38.32	26.57	29.03	30.77	74.66	75.76	80.29
Lowell & Fitchburg,	35.46	35.76	39.66	23.64	25.76	28.10	66.66	72.03	70.87
Massachusetts Northeastern,	30.99	34.13	37.50	26.43	31.54	33.48	85.28	92.42	79.73
Middlesex & Boston,	28.57	34.08	30.98	22.65	27.73	27.93	79.26	81.37	90.17
Milford, Attleboro & Woonsocket,	25.02	27.19	30.51	22.76	27.06	28.11	90.95	99.52	92.15
Milford & Uxbridge,	26.12	27.99	30.49	20.99	23.24	25.67	80.36	83.03	84.18
Nahant & Lynn,	35.02	38.05	38.05	33.72	32.98	32.98	96.27	86.68	86.68
New Bedford & Onset,	38.67	53.06	53.50	30.97	46.48	48.02	80.08	87.60	89.79
Norfolk & Bristol,	22.25	25.68	33.83	19.86	26.35	37.63	89.25	111.25	111.25
Northampton,	29.12	33.47	42.55	22.93	30.01	33.45	78.75	89.67	78.65
Northern Massachusetts,	30.91	37.67	41.92	24.50	35.62	32.00	79.26	94.57	76.34
Norton, Taunton & Attleboro,	19.82	22.74	24.66	19.24	22.40	24.33	97.06	98.49	98.66
Point Shirley,	28.88	26.40	26.13	32.89	39.33	39.36	113.89	148.80	148.80
Swansea & Seekonk,	31.71	33.54	33.54	31.79	32.51	32.51	100.25	96.92	96.93
Shelburne Falls & Colrain,	44.22	50.82	52.92	32.16	40.47	42.52	72.72	79.63	80.34
Springfield,	28.76	34.47	34.71	27.27	30.05	30.00	94.82	87.20	86.66
Union,	38.12	39.37	41.03	28.68	30.17	32.92	75.22	76.63	80.23
Worcester Consolidated,	34.45	37.62	37.28	24.96	30.86	32.30	72.47	82.04	86.64
Averages,	32.77	38.56	40.10	24.60	34.70	35.56	75.07	89.99	88.68

¹ Estimated.

TABLE VI. — Statement of Amount required to pay Stated Dividends on the Preferred Stock of the Following Companies, also dividends on the Common Stock and Premiums at a Rate equal to the Average Rate paid on Common Stock during the Years 1913, 1914 and 1915, but in no Case at a Rate in Excess of Five Per Cent.

COMPANY.	Preferred Stock.	Rate (Per Cent).	Return on Preferred Stock.	Total Common Stock and Premiums.	Total Rate for 1913-14 and 1915. (Per Cent).	Average Rate for Three Years, up to 5 Per Cent. (Per Cent).	Return on Common Stock and Premiums.	Total Return on Preferred and Common Stock and Premiums.
Berkshire,	-	-	-	-	-	-	-	-
Blue Hill,	-	-	-	-	-	-	-	-
Boston & Worcester,	\$457,200 00	6	\$27,432 00	\$2,064,720 00	8.00	2.66	\$54,921 55	\$82,353 55
Brockton & Plymouth,	110,000 00	6	6,600 00	-	-	-	-	6,600 00
Concord, Maynard & Hudson,	-	-	-	235,000 00	7.00	2.33	5,475 50	5,475 50
Connecticut Valley,	120,000 00	6	7,200 00	500,000 00	8.50	2.83	14,150 00	21,350 00
East Taunton,	-	-	-	97,800 00	15.00	5.00	4,890 00	4,890 00
Fitchburg & Leominster,	-	-	-	450,000 00	18.00	5.00	22,500 00	22,500 00
Holyoke,	-	-	-	1,618,160 00	24.00	5.00	80,908 00	80,908 00
Interstate Consolidated,	-	-	-	275,000 00	13.00	4.33	11,907 50	11,907 50
Linwood,	-	-	-	12,000 00	18.00	5.00	600 00	600 00
Lowell & Fitchburg,	-	-	-	-	-	-	-	-
Massachusetts Northeastern,	665,000 00	6	39,900 00	-	-	-	-	39,900 00
Middlesex & Boston,	-	-	-	1,987,000 00	12.00	4.00	79,480 00	79,480 00
Milford, Attleboro & Woonsocket,	-	-	-	315,000 00	16.00	5.00	15,750 00	15,750 00
Milford & Uxbridge,	100,000 00	6	6,000 00	440,000 00	15.00	5.00	22,000 00	28,000 00
Nahant & Lynn,	-	-	-	100,000 00	24.00	5.00	5,000 00	5,000 00
New Bedford & Onset,	-	-	-	550,000 00	6.00	2.00	11,000 00	11,000 00
Norfolk & Bristol,	-	-	-	200,000 00	3.00	1.00	2,000 00	2,000 00
Northampton,	-	-	-	860,000 00	16.00	5.00	43,000 00	43,000 00
Northern Massachusetts,	150,000 00	6	9,000 00	350,000 00	8.00	2.66	9,310 00	18,310 00
Norton & Taunton,	-	-	-	-	-	-	-	-
Point Shirley,	-	-	-	-	-	-	-	-
Shelburne Falls & Colrain,	-	-	-	50,000 00	13.50	4.50	2,250 00	2,250 00
Springfield,	-	-	-	4,933,874 89	20.50	5.00	246,693 74	246,693 74
Union,	-	-	-	2,983,300 00	24.00	5.00	149,165 00	149,165 00
Worcester Consolidated,	3,600,000 00	\$5 ¹	240,000 00	3,553,296 00	17.50	5.00	177,664 80	417,664 80
Totals,	-	-	\$336,132 00	-	-	-	\$958,666 09	\$1,294,798 09

¹ Per share; par value; \$80.

TABLE VII. — *Taxes, 1918.*

COMPANY.	Real Estate and Machinery.	Franchise.	Excise.	MISCELLANEOUS.			
				State Income.	Federal.	Other Taxes.	Total Taxes.
Bay State,	\$149,887 00	\$12,825 00	\$227,383 00	-	\$7,964 00	\$316 00	\$398,375 00
Berkshire,	38,601 90	4,255 77	15,972 54	-	3,013 11	-	61,843 32
Blue Hill,	749 26	-	1,651 63	\$174 50	21 43	127 71	2,724 53
Boston Elevated,	529,238 27	198,893 10	-	21,638 86	167,399 65	345 61	917,515 49
Boston & Worcester,	22,904 01	9,432 34	19,101 17	872 11	5,776 92	-	58,086 55
Brookton & Plymouth,	3,370 78	-	2,153 46	153 55	-	-	5,677 79
Concord, Maynard & Hudson,	1,466 89	296 51	649 62	-	42 65	-	2,455 67
Connecticut Valley,	3,237 11	307 21	4,619 46	154 61	606 89	-	8,925 28
East Taunton,	134 62	1,996 62	918 46	100 00	333 81	-	3,483 51
Fitchburg & Leominster,	7,242 52	2,507 99	9,949 82	300 56	1,808 10	-	21,808 99
Holyoke,	20,817 17	500 97	15,711 32	481 59	4,558 41	-	42,069 46
Interstate Consolidated,	1,234 38	379 40	4,120 85	38 31	2,959 06	10 00	8,742 00
Linwood,	-	286 05	521 76	52 09	535 50	-	1,395 40
Lowell & Fitchburg,	718 76	2,507 99	1,462 33	191 30	1,149 77	22 83	6,052 98
Massachusetts Northeastern,	9,097 52	6,285 41	10,790 83	278 44	1,905 46	-	28,357 66
Middlesex & Boston,	11,085 21	1,585 67	23,116 08	312 52	1,265 67	-	37,365 15
Milford, Attleboro & Woonsocket,	2,027 77	-	1,150 57	-	371 83	2 75	3,552 92
Milford & Uxbridge,	6,319 16	364 90	5,339 54	177 37	1,339 08	-	13,540 05
Nahant & Lynn,	388 88	1,113 68	477 31	-	-	-	1,979 87
New Bedford & Onset,	3,301 34	-	1,305 57	86 56	680 73	-	5,374 20
Norfolk & Bristol,	1,249 34	-	1,669 89	-	209 19	-	3,128 42
Northampton,	5,235 45	4,748 94	5,829 64	289 02	3,436 06	-	19,539 11
Northern Massachusetts,	4,292 08	-	4,329 62	61 95	651 09	-	9,334 74
Norton, Taunton & Attleboro,	878 58	-	697 27	-	-	-	1,575 85
Point Shirley,	63 06	-	-	-	-	-	63 06
Swansea & Seekonk,	354 20	1,424 52	891 93	-	-	-	2,670 65
Shelburne Falls & Colrain,	367 85	343 26	278 85	44 52	115 03	-	1,149 51
Springfield,	39,981 00	6,375 31 ¹	57,598 86	-	8,447 56	313 45	99,965 56
Union,	22,954 84	22,908 12	27,581 00	1,630 10	11,733 55	-	86,807 61
Worcester Consolidated,	68,930 76	13,581 53 ¹	73,943 95	4,561 20	19,526 16	241 92	153,622 46
Totals,	\$956,129 71	\$253,006 61	\$519,216 33	\$31,599 16	\$245,850 71	\$1,380 27	\$2,007,182 79

¹ Credit.

TABLE VIII. — Estimate of Additional Tax up to and not exceeding \$2 per \$1,000 of Assessed Valuation necessary to meet Deficiencies in Revenues of Street Railway Companies upon Basis of Results of Operation for 1918 adjusted by Additional Allowances for Depreciation and Return on Stock and by the Elimination of Excise and Franchise Taxes.

COMPANY.	Profit and Loss.	Additional Allowance for Depreciation.	Return on Stock.	Deficit.	Excise and Franchise Tax.	Additional Revenue required.	Assessed Valuation of District.	Additional Tax per \$1,000.
Berkshire,	\$561,234 02 ¹	\$175,397 00	-	\$736,631 02	\$20,228 31	\$716,402 71	\$104,630,656	\$2 00
Blue Hill,	26,591 13 ¹	10,232 00	-	36,823 13	1,651 63	35,171 50	15,993,111	2 00
Boston & Worcester,	13,891 87 ¹	81,975 00	\$82,353 55	178,220 42	28,533 51	149,686 91	53,620,969	2 00
Brockton & Plymouth,	31,721 35 ¹	11,361 00	6,600 00	49,682 35	2,153 46	47,528 89	22,819,507	2 00
Concord, Maynard & Hudson,	21,743 71 ¹	9,470 00	5,475 50	36,689 21	946 13	35,743 08	13,905,916	2 00
Connecticut Valley,	29,052 70 ¹	21,239 00	21,350 00	71,641 70	4,926 67	66,715 03	37,399,111	1 78
East Taunton,	6,612 46	826 00	4,890 00	896 46 ²	3,024 09	3,920 55 ³	5,687,122	-
Fitchburg & Leominster,	18,793 12	27,361 00	22,599 00	31,067 88	12,457 81	18,610 07	45,487,378	41
Holyoke,	13,023 02	48,146 00	80,908 00	116,030 98	16,212 29	99,818 69	98,538,114	1 01
Interstate Consolidated,	13,200 24	9,838 00	11,907 50	8,545 26	4,500 25	4,045 01	23,740,832	17
Lanwood,	3,662 32	1,231 00 ⁴	600 00	4,293 53 ²	807 81	5,101 34 ³	1,306,010	-
Lowell & Fitchburg,	18,008 41	11,007 00	-	7,001 41 ²	3,970 32	10,971 73 ³	8,857,317	-
Middlesex & Boston,	10,396 66 ¹	87,685 00	79,480 00	177,561 66	24,701 75	152,859 91	145,839,627	1 04
Milford, Attleboro & Woonsocket,	18,178 40 ¹	8,945 00	15,750 00	42,873 40	1,150 57	41,722 83	9,541,595	2 00
Milford & Uxbridge,	4,569 16	12,642 00	28,000 00	36,072 84	5,704 44	30,368 40	33,963,854	89
Nahant & Lynn,	759 17 ¹	4,316 00	5,000 00	10,075 17	1,590 99	8,484 18	4,240,528	2 00
New Bedford & Onset,	1,128 33	18,003 00	11,000 00	27,874 67	1,305 57	26,569 10	20,962,902	1 26
Norfolk & Bristol,	23,824 86 ¹	4,974 00	2,000 00	30,798 86	1,669 89	29,128 97	16,493,433	1 76
Northampton,	1,157 20 ¹	13,471 00	43,000 00	57,628 20	10,578 58	47,049 62	26,295,807	1 78
Northern Massachusetts,	36,451 79 ¹	19,844 00	18,310 00	74,605 79	4,329 62	70,276 17	35,706,628	1 96
Norton, Taunton & Attleboro,	5,142 24 ¹	4,337 00	-	9,479 24	697 27	8,781 97	12,031,955	73
Point Shirley,	4,121 31 ¹	276 00	-	4,397 31	-	4,397 31	16,556,950	26
Swansea & Seekonk,	2,429 37 ¹	862 00	-	3,291 37	2,316 45	974 92	2,646,967	36
Shelburne Falls & Colrain,	512 63 ¹	2,642 00	2,250 00	5,404 63	622 11	4,782 52	5,323,117	90
Springfield,	55,759 76	144,363 00	246,693 74	335,296 98	51,223 55	284,073 43	282,241,129	1 00
Union,	139,473 00	7,030 00 ⁴	149,165 00	2,661 29	50,489 12	47,827 83 ³	125,986,257	-
Worcester Consolidated,	148,685 50	171,964 00	417,664 80	440,943 30	60,362 42	380,580 88	289,875,059	1 31
Totals,	\$364,293 09	\$892,914 00	\$1,254,898 09	\$2,512,105 26	\$316,154 61	\$2,195,950 65	\$1,317,855,145	\$1 24 ⁵

¹ Loss.² Amounts in excess of stated revenue requirements.³ For all companies showing additional revenue requirements.² Surplus.⁴ Amount in excess of depreciation allowance.

TABLE IX. — *Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies.*

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Berkshire.</i>		
Adams,	\$8,151,025	100.00
Becket,	737,058	100.00
Cheshire,	899,336	100.00
Clarksburg,	418,573	100.00
Dalton,	4,122,770	100.00
Egremont,	641,216	100.00
Great Barrington,	7,057,835	100.00
Hinsdale,	772,012	100.00
Lanesborough,	884,675	100.00
Lee,	3,363,862	100.00
Lenox,	7,400,597	100.00
North Adams,	18,216,386	100.00
Otis,	380,232	100.00
Pittsfield,	41,182,245	100.00
Sheffield,	1,139,295	100.00
Stockbridge,	4,510,953	100.00
Williamstown,	4,753,486	100.00
	\$104,630,556	
<i>Blue Hill.</i>		
Canton,	\$5,466,290	100.00
Milton,	7,850,695	43.45
Stoughton,	2,676,126	47.48
	\$15,993,111	
<i>Boston & Worcester.</i>		
Brookline,	\$1,593,069	1.70
Framingham,	14,162,257	75.54
Hudson,	1,358,382	28.88
Marlborough,	6,608,463	56.47
Natick,	3,442,681	40.65
Newton,	11,518,526	15.36
Northborough,	377,171	19.51
Shrewsbury,	2,077,648	57.52
Southborough,	1,771,420	80.66
Wellesley,	9,069,431	59.62
Westborough,	1,641,921	48.95
	\$53,620,969	

TABLE IX. — Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Brockton & Plymouth.</i>		
Hanson,	\$2,059,781	100.00
Kingston,	1,627,750	100.00
Pembroke,	1,354,725	100.00
Plymouth,	17,455,580	100.00
Whitman,	321,671	5.63
	\$22,819,507	
<i>Concord, Maynard & Hudson.</i>		
Acton,	\$2,073,281	100.00
Concord,	4,808,536	68.67
Hudson,	1,334,493	28.38
Maynard,	4,547,829	100.00
Stow,	1,141,777	100.00
	\$13,905,916	
<i>Connecticut Valley.</i>		
Amherst,	\$561,913	8.80
Deerfield,	3,697,789	100.00
Greenfield,	14,758,999	100.00
Hatfield,	2,193,173	100.00
Hadley,	2,495,804	100.00
Montague,	8,543,350	100.00
Northampton,	4,341,901	23.03
Whately,	806,182	100.00
	\$37,399,111	
<i>East Taunton.</i>		
Lakeville,	\$171,178	13.97
Middleborough,	595,220	11.82
Taunton,	4,920,724	17.77
	\$5,687,122	
<i>Fitchburg & Leominster.</i>		
Ayer,	\$876,905	28.60
Fitchburg,	33,204,649	77.45
Harvard,	1,925,018	100.00
Leominster,	6,358,342	45.85
Lunenburg,	1,706,168	100.00
Shirley,	1,416,296	100.00
	\$45,487,378	

TABLE IX. — *Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.*

	CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Holyoke.</i>			
Amherst,	\$5,826,271	91.20
Chicopee,	15,160,791	48.67
Granby,	821,478	100.00
Holyoke,	70,698,522	100.00
Pelham,	523,315	100.00
South Hadley,	4,739,551	100.00
Sunderland,	768,186	100.00
		\$98,538,114	
<i>Interstate Consolidated.</i>			
Attleboro,	\$14,529,188	69.48
North Attleboro,	8,332,250	100.00
Plainville,	317,074	28.38
Seekonk,	562,320	26.44
		\$23,740,832	
<i>Linwood.</i>			
Northbridge,	\$1,306,010	24.48
<i>Lowell & Fitchburg.</i>			
Ayer,	\$2,189,280	71.40
Chelmsford,	1,424,465	28.43
Groton,	2,846,503	100.00
Westford,	2,397,069	100.00
		\$8,857,317	
<i>Massachusetts Northeastern.</i>			
Amesbury,	\$7,332,631	100.00
Dracut,	607,014	21.63
Haverhill,	17,996,749	37.77
Lawrence,	10,088,274	11.21
Merrimac,	1,626,208	100.00
Methuen,	6,717,998	48.71
Newburyport,	9,271,074	80.93
Newbury,	625,188	41.61
Salisbury,	1,957,648	100.00
		\$56,222,784	

TABLE IX. — *Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.*

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Middlesex & Boston.</i>		
Arlington,	\$1,229,023	6.21
Ashland,	1,064,049	65.38
Bedford,	1,945,737	100.00
Belmont,	559,914	4.32
Billerica,	1,050,768	16.73
Concord,	2,193,509	31.33
Framingham,	3,584,150	19.12
Hopkinton,	1,320,211	70.30
Lexington,	8,512,637	100.00
Natick,	5,025,569	59.35
Needham,	6,478,155	67.28
Newton,	60,505,829	80.58
Sherborn,	1,609,166	100.00
Waltham,	31,895,380	100.00
Watertown,	6,264,524	25.83
Wayland,	2,419,962	100.00
Wellesley,	6,141,705	40.38
Woburn,	3,746,133	26.64
Westborough,	293,206	8.74
	\$145,839,627	
<i>Milford, Attleboro & Woonsocket.</i>		
Bellingham,	\$1,172,335	6.21
Blackstone,	45,913	2.27
Franklin,	3,261,838	58.50
Hopedale,	1,775,159	41.55
Mendon,	162,384	21.37
Milford,	1,048,622	10.00
Plainville,	800,003	71.62
Wrentham,	1,275,341	72.88
	\$9,541,595	
<i>Milford & Uzbridge.</i>		
Ashland,	\$563,561	34.62
Bellingham,	77,610	93.79
Dedham,	3,043,094	21.56
Dover,	2,667,829	100.00

TABLE IX. — Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Milford & Uxbridge—Concluded.</i>		
Framingham,	\$1,001,454	5.34
Franklin,	2,314,213	41.50
Holliston,	2,101,667	100.00
Hopedale,	2,497,352	58.45
Hopkinton,	557,881	29.70
Mendon,	597,751	78.63
Medfield,	2,145,622	100.00
Medway,	1,926,405	100.00
Milford,	9,437,593	90.00
Millis,	1,601,821	100.00
Uxbridge,	1,132,871	26.02
Walpole,	307,891	4.15
Westwood,	1,989,239	78.31
	\$33,963,854	
<i>Nahant & Lynn.</i>		
Lynn,	\$114,657	.12
Nahant,	4,125,871	100.00
	\$4,240,528	
<i>New Bedford & Onset.</i>		
Bourne,	\$5,955,375	100.00
Marion,	3,264,430	100.00
Mattapoisett,	1,859,533	100.00
Middleborough,	2,497,270	49.61
Rochester,	1,092,296	100.00
Wareham,	6,293,998	100.00
	\$20,962,902	
<i>Norfolk & Bristol.</i>		
Foxborough,	\$2,978,735	100.00
Mansfield,	1,262,658	23.73
Norwood,	5,036,519	31.47
Walpole,	6,741,221	90.96
Wrentham,	474,300	27.12
	\$16,493,433	

TABLE IX. — Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Northampton.</i>		
Easthampton,	\$10,599,436	100.00
Northampton,	14,507,610	76.97
Williamsburg,	1,188,761	100.00
	\$26,295,807	
<i>Northern Massachusetts.</i>		
Athol,	\$7,481,460	100.00
Fitchburg,	4,289,103	10.00
Gardner,	11,383,012	100.00
Orange,	4,117,945	100.00
Phillipston,	339,701	100.00
Templeton,	2,552,688	100.00
Westminster,	1,008,424	100.00
Winchendon,	4,534,295	100.00
	\$35,706,628	
<i>Norton, Taunton & Attleboro.</i>		
Attleboro,	\$2,881,822	13.78
Mansfield,	4,057,977	76.27
Norton,	1,804,250	100.00
Taunton,	3,287,906	11.88
	\$12,031,955	
<i>Point Shirley.</i>		
Winthrop,	\$16,556,950	100.00
<i>Shelburne Falls & Colrain.</i>		
Buckland,	\$2,284,627	100.00
Colrain,	1,102,265	100.00
Shelburne,	1,936,225	100.00
	\$5,323,117	
<i>Springfield.</i>		
Agawam,	\$4,285,825	100.00
Brimfield,	728,590	100.00
Chicopee,	15,991,829	51.33
East Longmeadow,	1,746,865	100.00

TABLE IX. — Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Continued.

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Springfield — Concluded.</i>		
Huntington,	\$892,879	100.00
Longmeadow,	4,245,590	100.00
Ludlow,	7,009,136	100.00
Monson,	2,171,895	100.00
Palmer,	6,891,151	100.00
Russell,	2,096,300	100.00
Springfield,	201,786,769	100.00
Ware,	6,169,240	100.00
Westfield,	13,161,213	100.00
West Springfield,	13,231,440	100.00
Wilbraham,	1,832,407	100.00
	\$282,241,129	
<i>Swansea & Seekonk.</i>		
Rehoboth,	\$21,237	1.81
Seekonk,	800,388	37.63
Swansea,	1,825,342	100.00
	\$2,646,967	
<i>Union.</i>		
Dartmouth,	\$5,902,575	100.00
Fairhaven,	6,138,919	100.00
New Bedford,	110,858,888	84.09
Westport,	3,085,875	100.00
	\$125,986,257	
<i>Worcester Consolidated.</i>		
Auburn,	\$2,100,000	100.00
Berlin,	654,580	100.00
Blackstone,	1,974,231	97.73
Boylston,	610,389	100.00
Charlton,	1,520,684	100.00
Clinton,	9,890,121	100.00
Fitchburg,	5,379,073	12.55
Grafton,	3,475,626	100.00
Holden,	2,057,453	100.00
Hudson,	2,009,977	42.74

TABLE IX. — *Assessed Valuation for the Year 1918 in the Transportation Districts served by the Several Street Railway Companies — Concluded.*

CITY OR TOWN.	Computed Valuation.	Percentage of Total Valuation.
<i>Worcester Consolidated — Concluded.</i>		
Lancaster,	\$2,408,520	100.00
Leicester,	2,678,944	100.00
Leominster,	7,512,048	54.15
Marlborough,	5,094,883	43.53
Millbury,	3,512,255	100.00
Millville,	1,254,151	100.00
Northborough,	1,555,115	80.49
Northbridge,	4,029,306	75.52
Oxford,	2,137,587	100.00
Shrewsbury,	1,534,190	42.48
Southborough,	424,784	19.34
Southbridge,	9,186,335	100.00
Spencer,	3,560,080	100.00
Sterling,	1,390,070	100.00
Sturbridge,	999,700	100.00
Sutton,	1,626,161	100.00
Uxbridge,	3,220,904	73.98
Webster,	6,434,251	100.00
West Boylston,	1,107,280	100.00
Westborough,	1,419,394	42.31
Worcester,	199,116,967	100.00
	\$289,875,059	

Under the special acts of the Boston Elevated and Bay State companies the tax assessment is apportioned on a different basis. If these companies were included in the general plan suggested, the valuation of the respective districts served by the two companies, adjusted on account of the elevated and subway lines in Boston by assigning the assessed valuation of the Hyde Park district of Boston to the Bay State company and the assessed valuation of the remainder of the city to the Boston Elevated company, would be as follows: —

Bay State Street Railway Company,	\$1,117,669,855
Boston Elevated Railway Company,	1,937,621,713

